ANNUAL REPORT
2020

PDF/printed version

This document is the PDF/printed version of OCI N.V.'s 2020 Annual Report in the European single electronic reporting format (ESEF) and has been prepared for ease of use. The ESEF reporting package is available on the company's website.

In case of any discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

OCI N.V. is a leading global producer and distributor of nitrogen and methanol products providing lower carbon fertilizers, fuels, and feedstocks to agricultural, transportation, and industrial customers around the world.

OCI's production capacity spans four continents and comprises approximately 16.2 million metric tons per year of nitrogen fertilizers, methanol, diesel exhaust fluid, melamine, and other nitrogen products.

OCI has more than 3,600 employees, is headquartered in the Netherlands, and listed on Euronext in Amsterdam.

2020 PERFORMANCE HIGHLIGHTS

DRIVING BUSINESS VALUE

FINANCIAL

$3,474M Revenue 2019: $3,032M	**$870M** Adjusted EBITDA 2019: $748M	**$(213)M** Adjusted net income/(loss) 2019: $(208)M
$9,097M Total assets 2019: $9,420M	**$2,672M** Total equity 2019: $2,819M	**$(0.847)** Earnings/(loss) per share 2019: $(1.598)
$4,417M Gross debt 2019: $4,662M	**$3,730M** Net debt 2019: $4,062M	**$305M** Free cash flow 2019: $128M

ESG

2.26 GHG intensity* MT CO_2e / ton produced 2019: 2.30	**37.47** Energy intensity GJ / ton of ammonia produced 2019: 36.96	**1.51** Water Intensity M m3 consumed / ton produced 2019: 2.17
2.20% Employee turnover rate 2019: 1.99%	**0.09** Lost time injury rate 2019: 0.16	**0.23** Total recordable injury rate 2019: 0.40
10.51% Women at OCI 2019: 10.34%	**100%** Compliance training enrollment 2019: 95%	**1.89%** Occupational illness rate 2019: 2.97%

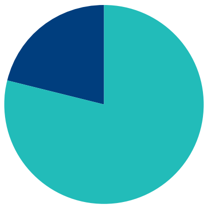
* Please refer to page 39 for a description of how we calculate GHG intensity.

2020 PERFORMANCE HIGHLIGHTS

Our business

Our production facilities are located in the United States, the Netherlands, the United Arab Emirates, Egypt, and Algeria. We are able to produce and distribute approximately 16.2 million metric tons per year of merchant ammonia, granular urea, calcium ammonium nitrate (CAN), urea ammonium nitrate (UAN), ammonium sulphate (AS), methanol, diesel exhaust fluid, melamine, and other nitrogen products, serving agricultural, transportation, and industrial customers around the world.

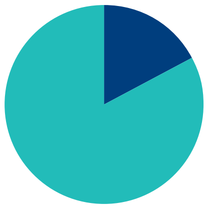
Revenue by segment



- Nitrogen **80%**
- Methanol **20%**

$3,474M
Revenue in 2020

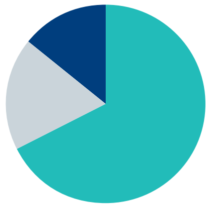
Adjusted EBITDA by segment



- Nitrogen **83%**
- Methanol **17%**

$870M
Adjusted EBITDA in 2020

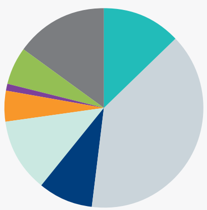
Our employees



- MENA **70%**
- Europe **19%**
- North America **11%**

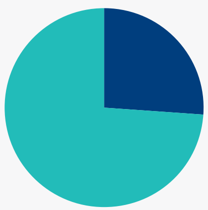
3,682
Employees in 2020

Sales by product



- Ammonia **13%**
- Urea **39%**
- CAN **9%**
- UAN **12%**
- AS **5%**
- Melamine **1%**
- DEF **6%**
- Methanol **15%**

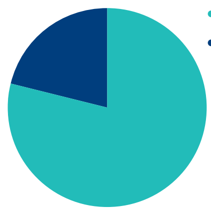
Our customers



- Fertilizer use **74%**
- Industrial use **26%**

14.7MT
Sold in 2020

Cleaner fuels and feedstocks

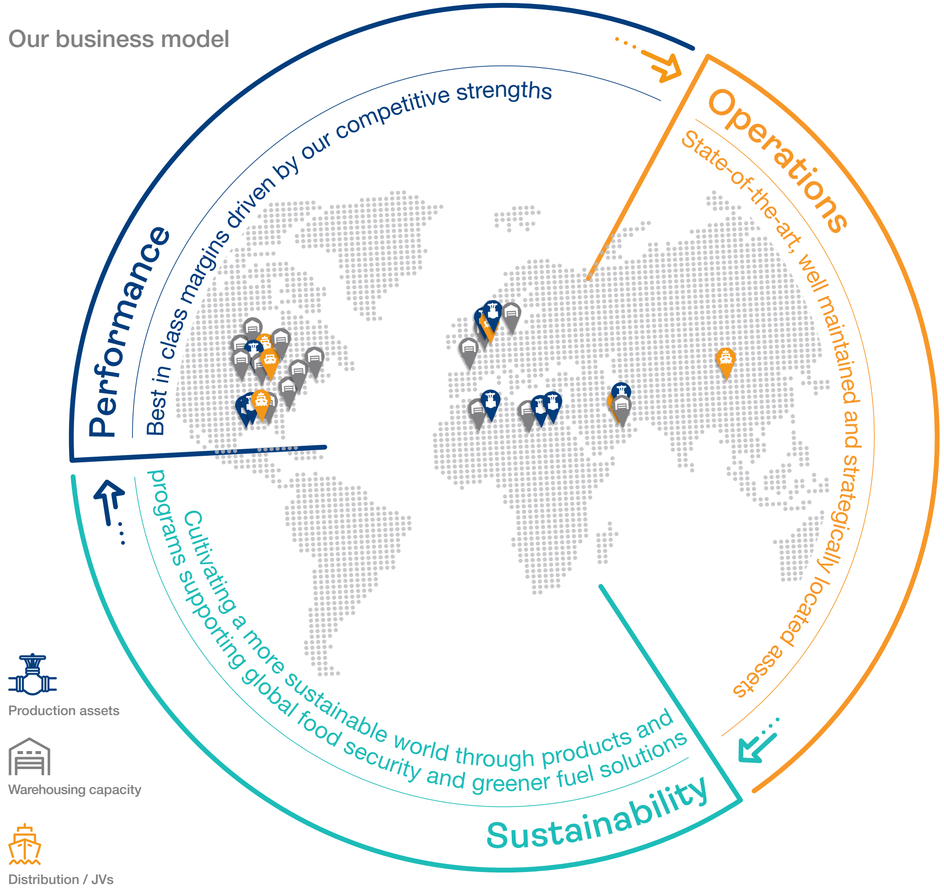


- Other **78%**
- Cleaner fuels and feedstocks **22%**

3.0MT
Methanol, bio-methanol, DEF, and green ammonia sold in 2020

Our position in the value chain

Our business model



Strategy and value creation

CEO LETTER

Dear stakeholders

Resilience in 2020, and a favourable market outlook for 2021 underpinned by healthy fundamentals

As we look back to what turned out to be a volatile year due to the global challenges because of COVID-19, our priority was to keep our employees, their families, and our surrounding communities safe. I assumed the role of CEO amidst the global turmoil, and I was immediately impressed with the support, teamwork and vigilance of our employees across our platform during these difficult times. I would like to thank our whole team for their incredible resilience.

Our purpose: Cultivating a **more sustainable world** through **cleaner fuel solutions, lower carbon feedstocks,** and **food security**

We are fortunate that the pandemic has not had a direct impact on our operations or on our global supply chain to date, as our products are essential for global food security and crucial for the continuity of the supply chains of many industries and consumer products.

We are therefore particularly pleased that we delivered solid results in 2020 by achieving record volume growth and healthy cash generation. We achieved a reduction in net debt of $332 million during 2020, despite selling prices for all our products nearing trough cycle levels during the year and on average at materially lower levels than in 2019.

Looking ahead into 2021, we are starting to benefit from a significantly improved outlook for all our end markets. Particularly nitrogen markets are underpinned by healthy fundamentals as corn and other crop prices rise to levels last seen in 2012. This is highly supportive of farm economics and as a result, nitrogen demand and prices. Against this backdrop, we look forward to delivering another year of robust volume growth and cash generation in 2021.

Health and safety first

We are pleased that our safety performance continued to be best-in-class, despite the prevalence and challenges of COVID-19.

We achieved record occupational safety results in 2020, resulting in industry leading performance. The lost time injury rate (LTIR) of 0.09 and total recordable injury rate (TRIR) of 0.23 are well below our internal targets and reflect a 44% improvement over 2019 despite a more difficult operating environment due to the strict COVID-19 safety precautions in place since March 2020.

We are proud of every employee's diligence and attention to safety, which has brought our TRIR down by 72% since 2014. We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors, with focused attention to this from the Board and in the HSE & Sustainability Committee.

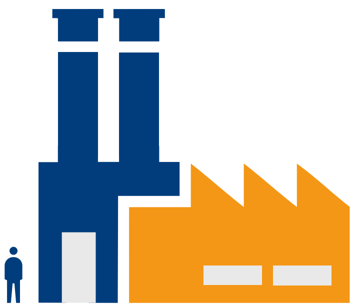
CEO LETTER
CONTINUED

A differentiated ESG strategy focused on capitalizing on the hydrogen opportunity

I am pleased that we introduced our ESG strategy during our first Capital Markets Day in March 2021, where we detailed how OCI can capitalize on the global hydrogen opportunity and announced significant steps to decarbonize.

As part of the accelerated global shift to clean energy, hydrogen will play a vital role in achieving the world's decarbonization ambitions and thus is expected to grow significantly over the next decade.

OCI is uniquely positioned to seize these opportunities presented by the global transition to a hydrogen economy. Two of our main products – ammonia and methanol – have emerged as the most promising products to drive the hydrogen economy and enable the energy transition as the products currently represent more than 50% of global hydrogen use today and are excellent hydrogen carriers.



OCI benefits from several strategic advantages as the only producer with facilities and extensive distribution and storage capabilities in the United States, Europe, and MENA, all of which are located near major inland demand centers or on major global shipping lanes next to key bunkering hubs.

Nearly all of our facilities have access to ample and cost effective solar and wind energy. This facilitates a shift to renewable production processes and allows us to play a key role in supplying major hydrogen-deficit markets such as Europe, as well as develop an ammonia fuel supply chain to support Asia's green transition. OCI's European assets, which include an ammonia import terminal in Rotterdam, are strategically positioned to play a major role in fulfilling Europe's hydrogen import needs as demand ramps up.

These advantages are particularly effective in positioning OCI to decarbonize its product portfolio through a pipeline of opportunities in partnership with key private sector and government stakeholders in the hydrogen transition. This is exemplified through OCI's recent announcements of several offtake agreements in Europe for green hydrogen, as well as the announced partnerships with two of the world's leading ship owners, the Hartman Group and Eastern Pacific Shipping, and the leading engine manufacturer, MAN Energy Solutions.

OCI will drive decarbonization through a 20% emission reduction target

At our Capital Markets Day, we announced a new group-wide target to reduce our scope 1 and 2 greenhouse gas intensity by 20% (on a 2019 baseline), to be achieved by 2030, and carbon neutrality by 2050.

Our main end markets, agriculture, fuel and feedstocks, account for approximately 60% of global GHG emissions. Our purpose is clear: as a leader in our industries and through our unique geographic and product mix, we are committed to cultivating a sustainable world by developing and providing new opportunities for carbon-free food, fuel, and industrial feedstocks.

We are committed to achieving these targets, and have aligned executive compensation to include specific ESG metrics and operational performance. In addition, OCI's Board of Directors has established a new committee, the HSE & Sustainability Committee, to effectively drive the group's environmental and social performance.

It is important to note that we continue to focus on value creation and maintain a strong capital discipline as we pursue decarbonization through new strategic initiatives with an unlevered IRR threshold of >12-14%. More than an estimated 45% of our target is achievable with limited incremental capital spend.

A Culture of OneOCI

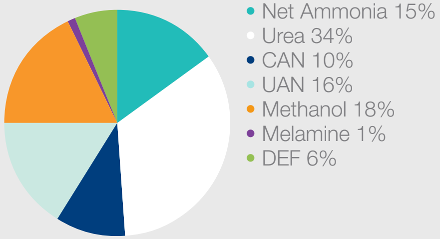
In addition to our environmental targets, we are also strengthening our group culture. OCI has grown exponentially over the last decade, and the focus was on creating strong local teams. During the year, we launched the OneOCI platform, which brings together the best of OCI under one unified culture, a shared set of values, and a platform to encourage dialogue across our locations.

We are fortunate to be an employer of choice for a culturally diverse workforce that includes 25 nationalities in 10 countries. Through the roll-out of our OneOCI platform and our Diversity & Inclusion (D&I) program, we have set a target of achieving 25% female representation in senior leadership positions by 2025. Though we operate in traditionally male dominated industries, we are working to improve our gender diversity in both technical and non-technical roles and at all levels of our organization and in all locations, including the MENA region.

CEO LETTER
CONTINUED

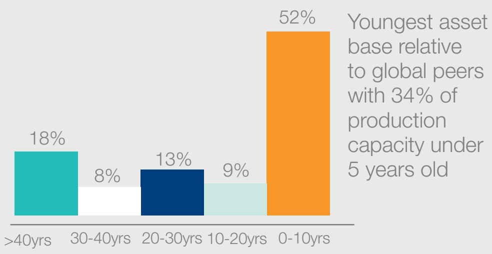
INVESTMENT HIGHLIGHTS

16.2 million metric tons per year of production capacity



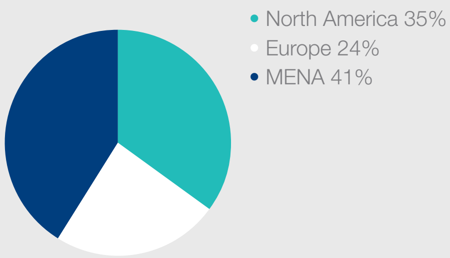
Global leader in nitrogen and methanol with excellent diversification

Asset base by vintage



Favourable position on the cost curve with state-of-the-art asset base

Capacity by region



Highly strategic locations allow for enhanced netback pricing through a coordinated global commercial strategy

Looking ahead to 2021 and beyond

Our priority remains to maximize free cash flow generation through operational and commercial excellence, and we remain committed to our financial policy to deleverage towards 2x through the cycle.

Following a period of capital-intensive high growth rates, we are accelerating our Operational Excellence program as our focus shifts to extracting more value out of our young and state-of-the-art asset base. As a result, we anticipate a healthy increase in our sales volumes in 2021.

We expect to be one of the main beneficiaries from improving market fundamentals in our respective sectors, nitrogen and methanol. Based on the expected supportive pricing environment combined with our growth expectations for production volumes for 2021, we expect to deliver another year of robust sales volume growth and cash generation, and as a result a drop in net leverage to below 3.0x by year-end 2021.

Finally, we are pleased that we are making solid progress in our effort to grow our green portfolio and capitalize on new growth opportunities in the hydrogen economy.

We made great progress with growing our biofuel presence, as we strengthened our market-leading position in renewable methanol in the UK. We will continue to roll out bio-methanol as a fuel, which helps reduce the carbon intensity of road transportation fuels in a highly efficient way and we also see many opportunities in other industrial applications where this versatile product can be used.

OCI is a global leader in the production of ammonia and methanol, which are the key products to accelerate the transition to a hydrogen economy, and is also one of the largest traders in these products globally. Combined with our strategic geographic footprint across four continents, OCI can simultaneously benefit from growth in the hydrogen economy and significantly contribute to the decarbonization of three of the largest contributors to global greenhouse gas emissions: food, fuel, and feedstock.

For more details on our sustainability strategy, please refer to pages 29-76.

Ahmed El-Hoshy

Chief Executive Officer

OUR STRATEGIC PRIORITIES

We are building a sustainable company for the future with a clear purpose of cultivating a sustainable world through cleaner fuel solutions, lower carbon feedstocks, and food security.

Our end-markets cover food, fuel, and feedstock, representing an opportunity to decarbonize approximately 60% of today's global greenhouse gas emissions across agriculture, industry, and transportation:

- Our nitrogen fertilizers allow farmers to increase crop yields and improve food quality.
- Our fuel solutions provide clean alternatives to significantly reduce greenhouse gas emissions by 60% versus conventional fuels.
- Our industrial feedstocks are excellent hydrogen carriers and decarbonized input for downstream industrial processes.

We have announced our commitment to driving sustainable performance through a differentiated strategy that will allow us to decarbonize through strong industrial logic **focused on capital discipline and value creation, coupled with a unique green portfolio that enables the hydrogen economy.** Our strategy is underpinned by **strong governance with long-term incentives tied to ESG and operational excellence metrics and dedicated attention from our Board of Directors through the HSE & Sustainability Committee.**

Global long-term fundamentals support expected sustained growth in our industries

9.7BN Global population by 2050	**+60%** Required growth in food production levels by 2050	**-55%** Reduction in arable land per capita by 2050
+50% Increase in meat production by 2050	**-45%** Required reduction in GHG emissions by 2030	**+300X** Required increase in transport biofuel consumption by 2030

Sources: UN FAOSTAT, World Economic Forum, IEA, IPCC

OUR STRATEGIC PRIORITIES

OPERATIONAL EXCELLENCE

We are committed to excellence in every aspect of our organization.

We continuously look for ways to maximize our production efficiencies, minimize our emissions and waste, and maintain our industry leading health and safety records.

We believe operational excellence does not stop at the gates of our plants and we hold all suppliers and business partners to the standards set out in our Business Partner Code of Conduct.

BUSINESS OPTIMIZATION

We are committed to optimizing our global presence and enhance our position as a global leader in our industries.

We will continue to explore strategic opportunities that are in line with our strategic goals and financial return expectations, including acquisitions, partnerships, joint ventures, business combination transactions, disposals, spin-offs or other transactions.

GLOBAL COMMERCIAL STRATEGY

We are committed to implementing a global approach to our commercial strategy.

We work diligently to align our group-wide sales and marketing activities to optimize our production mix through our flexible assets and to maximize the production of premium products, leverage logistical advantages through our global distribution network, and cultivate customer relationships to deliver strong netback prices.

SUSTAINABILITY

We are committed to being an environmental steward and will drive the hydrogen economy and significantly contribute to the decarbonization of three of the largest contributors to global greenhouse gas emissions: **food, fuel, and feedstock**.

MAXIMIZING FREE CASH FLOW

We are committed to our financial policy aimed at maximizing our free cash flow generation and deleveraging.

We believe our diversified product portfolio, advantageous geographic presence, and coordinated global commercial strategy enables us to maximize netback prices, which coupled with our ramped-up production capacity and reduced capex requirements, will allow us to achieve strong free cash flow conversion.

OUR TARGETS

$75M Additional EBITDA from operational excellence expected in the next 3-5 years	**-20%** GHG intensity reduction by 2030	**25%** Women in senior leadership by 2025	**2X** Net leverage through the cycle

CAPITALIZING ON THE HYDROGEN OPPORTUNITY

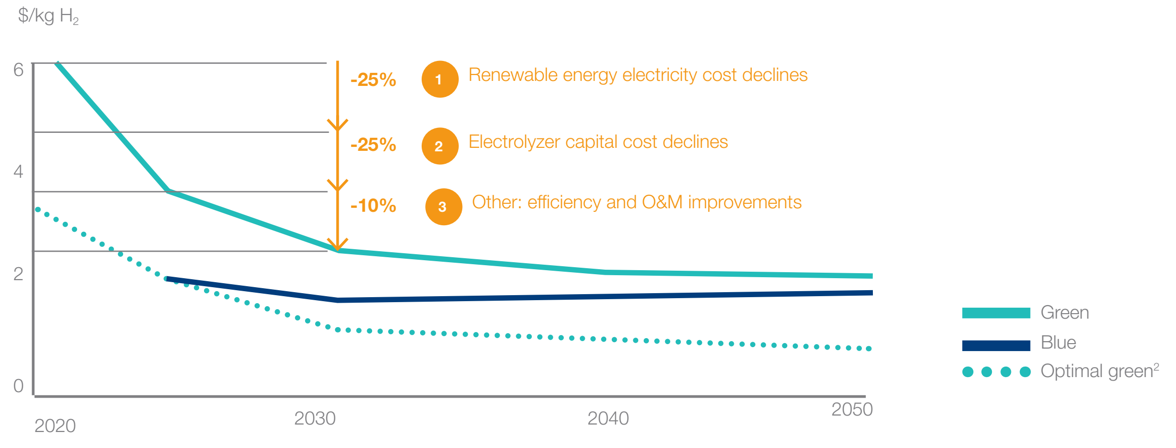
OCI is building a sustainable company for the future that drives the global transition to a hydrogen economy.

Accelerated government responses to climate change are a significant driver of this transition with the EU Climate Investment plan exceeding €1 trillion over the next ten years, and the United States re-joining the Paris Agreement and announcing a $2 trillion Climate Change investment bill.

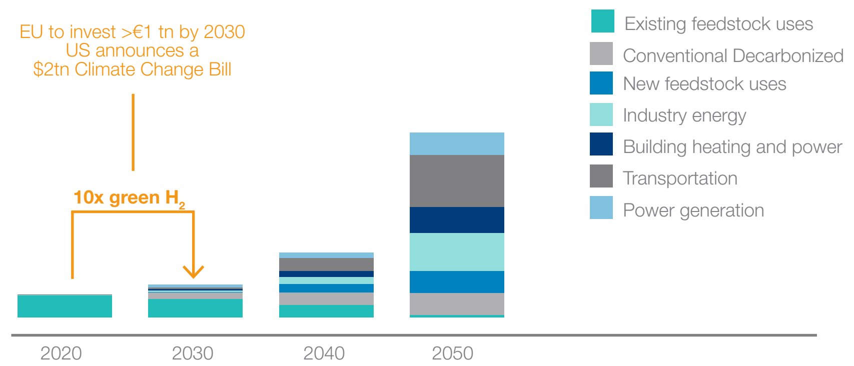
Government support and spending plans make one thing abundantly clear: hydrogen is the fuel and the feedstock of the future and will also play a vital role in achieving our global decarbonization ambitions.

Green hydrogen demand is expected to grow ten-fold over the next decade helping the transition from fossil fuels to hydrogen as the energy of the future, while costs of electrolysers and renewable energy are expected to come down significantly during this time.

Production cost of hydrogen expected to come down rapidly



Growth in hydrogen demand driven key OCI sectors[1]



[1] Subject to supportive regulatory environment, subsidies, technology advancements and national environmental targets.

[2] Optimal green refers to green ammonia produced using wind/solar energy in the Middle East.

CAPITALIZING ON THE HYDROGEN OPPORTUNITY CONTINUED

OCI opportunities: ammonia and methanol are the only hydrogen carriers capable of decarbonizing our key sectors

Two of our main products – ammonia and methanol – represent more than 50% of grey hydrogen use today and are key products to accelerate the transition to a hydrogen economy.

Although most countries are working towards developing a hydrogen economy, it is not feasible to produce sufficient hydrogen to meet expected demand given limitations on renewable energy power in many regions, including Europe.

This means that hydrogen will need to be transported over long distances, but as hydrogen needs to be cooled down to -253 degrees Celsius, this results in a huge loss of scarce green energy and the cooled hydrogen has a very low energy density. However, ammonia and methanol are the ideal energy carriers for several reasons:

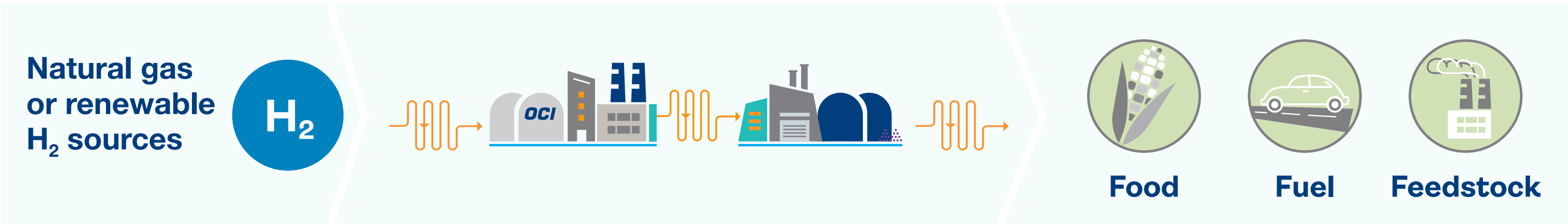
- Their respective energy densities are higher than hydrogen's,
- They are widely used products, and
- They are easier to store with extensive global distribution and storage infrastructure in place.

Our end-markets cover food, fuel, and feedstock, representing an opportunity to decarbonize approximately 60% of today's global greenhouse gas emissions across agriculture, industry and transportation.

Our entrepreneurial track record means we have the relationships and global reach to drive change without having to choose between sustainability and value creation.

Ammonia and methanol form ~50% of grey hydrogen use and are key products in achieving a green hydrogen economy.

	Global GHG emissions	Blue / Green ammonia	Bio / Green methanol
Agriculture	**20%**	Enabler for low carbon farming	
Fuel	**10%**	No CO_2, SO_x, or particulate emissions upon combustion	Effective and easier to handle than H_2
		Needs less refrigeration (-33°C NH_3 vs -253°C H_2)	Cleaner burning low carbon fuel in marine transport. Widely used in road transport
Feedstock or energy carrier	**30%**	Green feedstock for chemicals and low-cost solution to transport H_2	Efficient and promising green feedstock for chemicals in many end-markets
		70% higher energy density than H_2	84% higher energy density than H_2



OCI'S STRATEGIC FOOTPRINT WILL CAPTURE THE HYDROGEN POTENTIAL

OCI's unique advantages

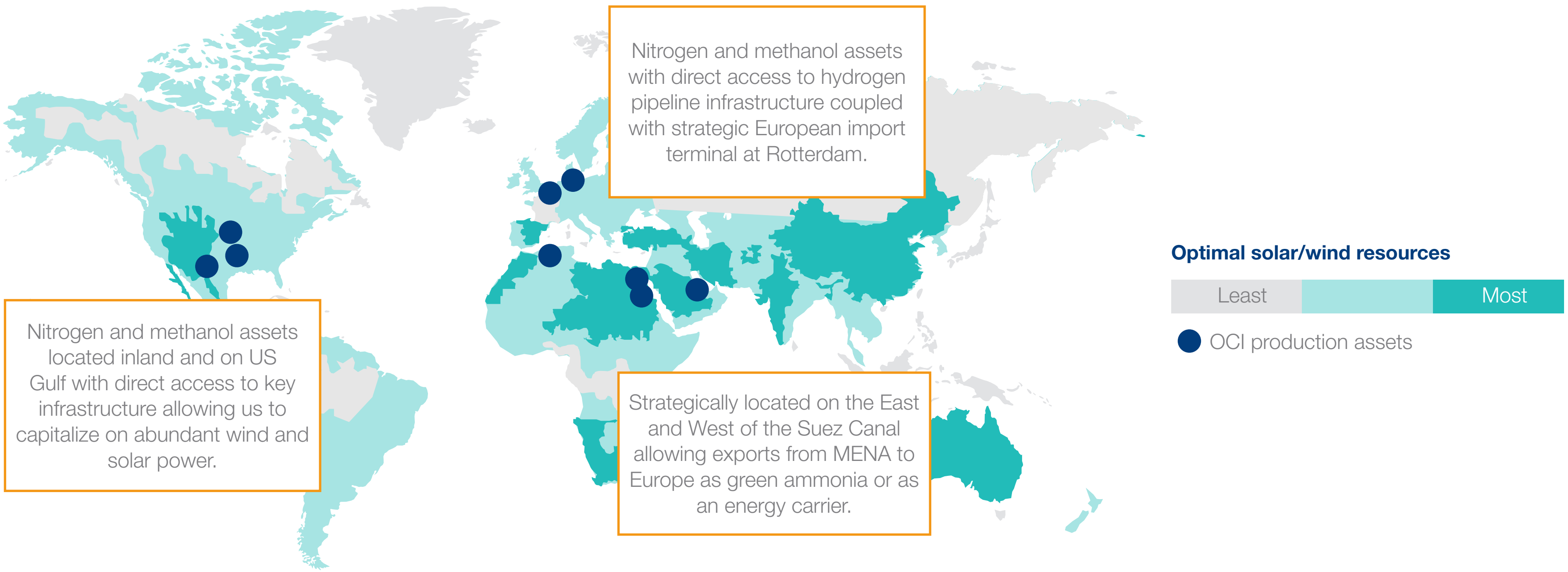
We are a global leader in the production of ammonia and methanol and are one of the largest traders in these products.

We also benefit from several strategic geographic advantages, including:

- We are the only producer with facilities and extensive distribution and storage capabilities in the United States, Europe and the MENA region.
- Our coastal assets are all located on major global shipping lanes next to key bunkering hubs for the transportation of renewable fuels.
- Almost all our assets have access to abundant and cost effective solar and wind energy, meaning we can shift to a renewable production process. As such, we can play a key role in supplying major hydrogen-deficit markets such as Europe and Asia.
- Our European assets, which includes an ammonia import terminal in Rotterdam, are strategically positioned to play a major role in fulfilling hydrogen import needs as demand ramps up.

These advantages are particularly effective in positioning us to decarbonize our asset base through a pipeline of opportunities, in partnership with key private sector and government stakeholders in the hydrogen transition.

> We are uniquely positioned to drive the hydrogen economy through our geographic presence and product mix



OCI'S PRODUCTS ARE KEY TO DECARBONIZING THE MARITIME SECTOR

Shipping currently accounts for approximately 3% of global CO_2 emissions, but is one of the hardest sectors to decarbonize due to the current economic cost effectiveness of heavy fuel oil (HFO).

The International Maritime Organization (IMO) has set emissions targets that can only be achieved through the adoption of low-carbon fuels on new and existing vessels, and the EU is pushing to include shipping in the emissions trading system (EU ETS) with binding requirements to reduce CO_2 by more than 40% by 2030.

Of the various alternative low carbon fuels available, ammonia and methanol, OCI's core products, are the only practical alternatives for long-distance shipping. Both fuels, even without the implementation of decarbonization technologies, already have a lower environmental footprint compared to conventional fuels.

Green ammonia is particularly promising as it can be produced from solar and wind resources without emitting any carbon. The ammonia engine on the vessels emits zero CO_2, zero sulphur oxides (SOx) and the traces of NOx present in the flue gas can be neutralized to water and dinitrogen by up to 99%. This makes a green ammonia fueled ship a zero-emission ship.

Without carbon priced in, the grey and blue ammonia and methanol pathways are very close to cost parity compared to HFO. Using blue ammonia in a ship would start the decarbonization pathway with an improvement potential of more than 50% GHG reduction.

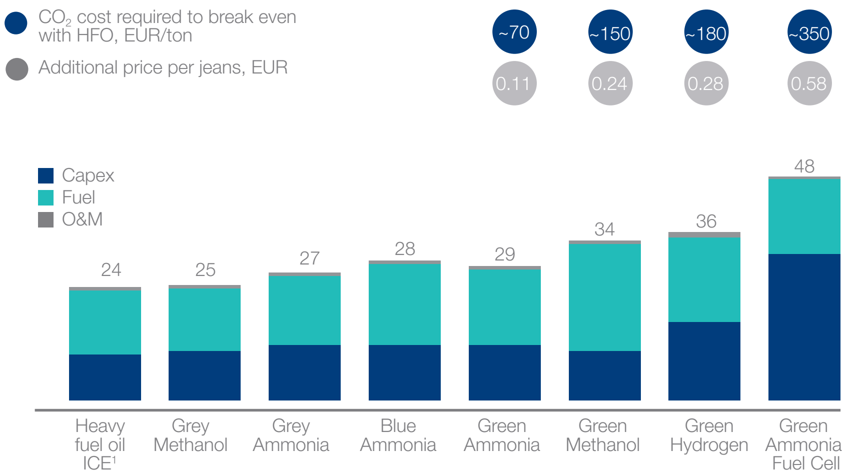
Most importantly, with global infrastructure in place, these products can bridge the transition from 'grey' to 'green' until the industry has fully scaled up to products based solely on renewable energy sources.

As such, we have made it a priority to make these established low carbon fuels for shipping via partnerships with various players in the shipping value chain, such as MAN Energy Solutions, Eastern Pacific Shipping, Hartmann Group, and others.

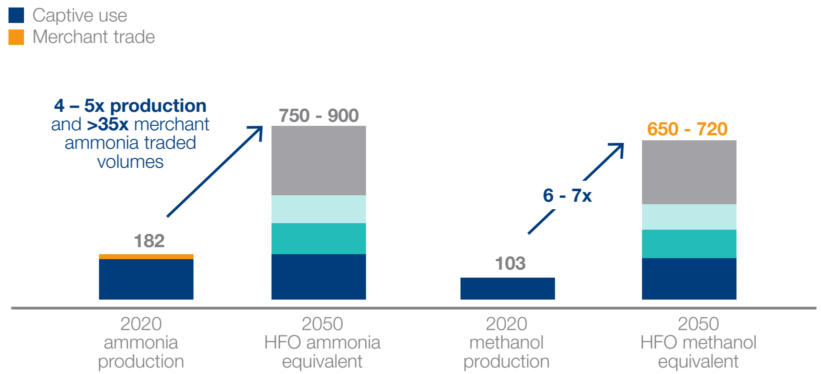
The maritime fuel market in HFO is expected to grow to approximately 430 million metric tons by 2050, translating in ammonia and methanol equivalents of 650 - 900 million metric tons while the current combined global gross ammonia and methanol production is ~290 million metric tons, indicating a large opportunity for OCI.

A typical Panamax ship consumes 100 thousand metric tons of ammonia or 93 thousand metric tons of methanol per year, which equates to 13% of EBIC's ammonia capacity or 9% of OCI Beaumont's methanol capacity as fuel, saving approximately 140 thousand metric tons of CO_2 emissions per year.

Cost of container ship and bunkering location in the Middle East from 2030E (€ mn per annum)



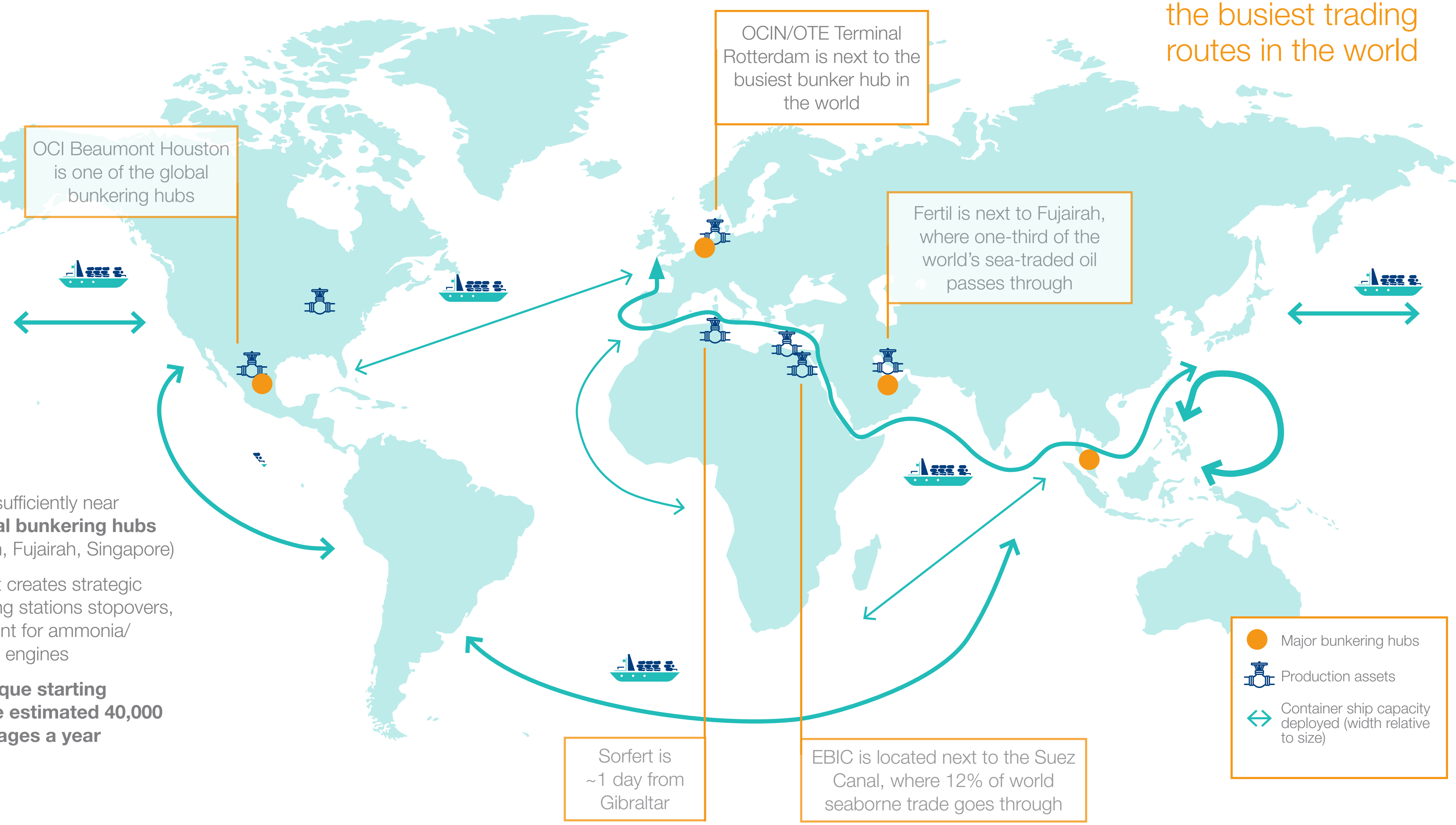
2050 outlook for ammonia and methanol as a substitute for HFO (metric ton) vs negligible current consumption



[1] ICE refers to Internal Combustion Engine, fuel price average between IEA ($850/t and hydrogen council report at USD 630/t)

OCI'S GLOBAL DISTRIBUTION NETWORK IS STRATEGICALLY LOCATED AT KEY BUNKERING HUBS ON MAJOR SHIPPING LANES

OCI has production plants located along the busiest trading routes in the world



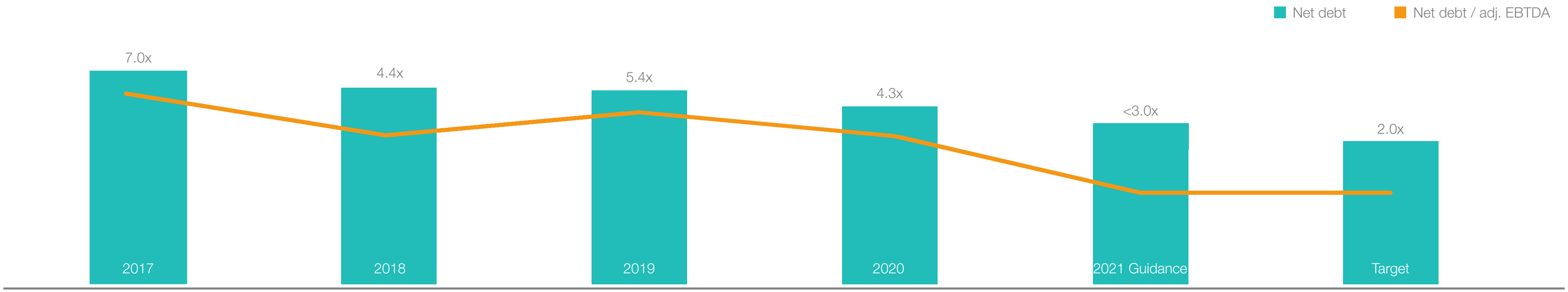
OCI is located at or sufficiently near
3 out of the 4 global bunkering hubs
(Rotterdam, Houston, Fujairah, Singapore)

The existing footprint creates strategic potential for bunkering stations stopovers, with limited investment for ammonia/ methanol fueled ship engines

OCI will have a unique starting position across the estimated 40,000 container ship voyages a year

WE HAVE DEVELOPED A STRONG VALUE CREATION LOGIC TO EVALUATE OUR SUSTAINABILITY PROJECTS

Full focus on deleveraging towards 2.0x net leverage through the cycle



Prioritize projects with positive NPV / short payback period

- Focusing on decarbonization using existing facilities and infrastructure.
- Focusing on net savings carbon abatement potential (mostly including operational efficiencies and selected cost-effective strategic options) to drive emission reduction at a net saving.

Maintain strong capital discipline and value creation focus

- We will continue to evaluate opportunities to further optimize our capital structure, including assessing green financing opportunities such as linking sustainability metrics to our RCF and / or future capital markets issuances.

Fit with long term strategy of creating tactical optionality

- Driving emission reduction while closely monitoring market developments and creating option value to address future improvement potential (such as the ability to address Scope 3 emissions).

CAPITAL ALLOCATION TARGETS

In a very thorough and ongoing process, OCI has identified various decarbonization initiatives across its platform based on emission potential and financial feasibility. By means of such analysis OCI has targeted those initiatives that are NPV positive, through being supported by positive business cases on a standalone basis or by a customer pull willing to pay a premium for a greener product, and by governments that are willing to support certain evolving green technologies with incentive schemes or subsidies.

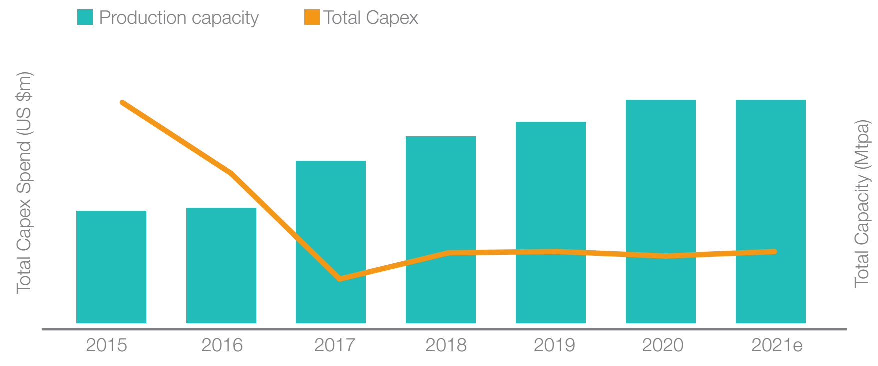
OCI also has identified partnerships that provide low capex and asset light solutions for the company through intensive and long-term collaboration with strategic partners. We can achieve a large proportion of our targets and generate positive returns with limited incremental capital spend. We intend to achieve this by maintaining an IRR threshold of 12 - 14% on an unlevered basis with continued focus on deleveraging and cost optimization.

Approximately 45% of our GHG reduction commitment is zero to low capex, including accelerated operational excellence, switch to renewable energy and expansion of low carbon product portfolio. Accelerating our operational excellence program is expected to yield tangible shorter-term returns of more than $75 million EBITDA per annum with a payback of 3-5 years while also lowering our emissions by 5%.

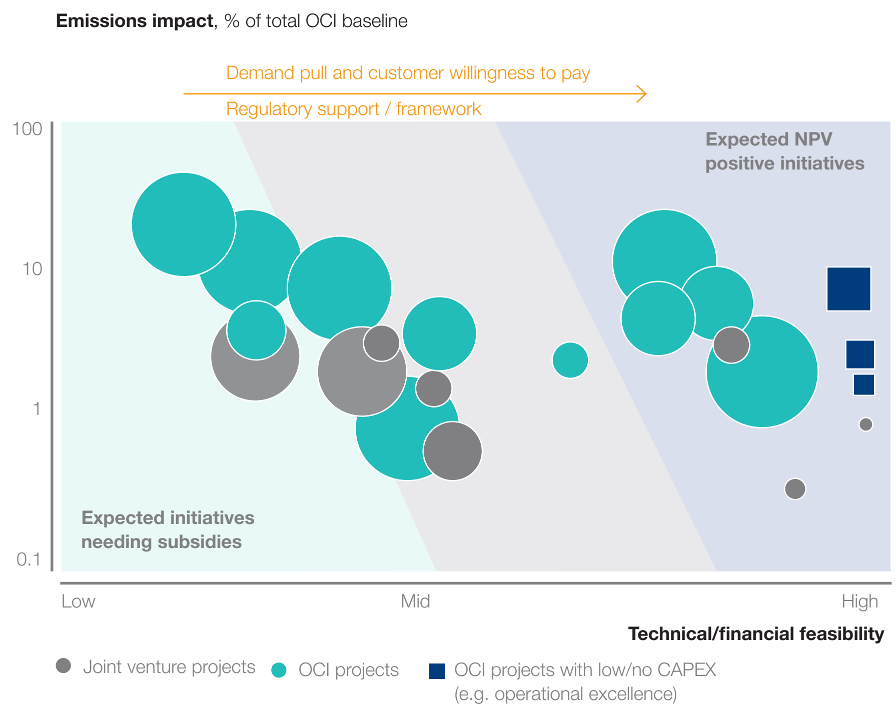
Over the medium to long term, additional options can become cost-effective depending on incentives such as regulatory frameworks, product premiums, and increased carbon prices. In these cases, the combined assets of OCI and its strategic partners often drive synergies which, supported with the right governmental incentives and subsidies, can drive an important first decarbonization step-stone in a value chain.

We don't expect significant capital spending on developing opportunities in marine fuels and if any capital is deployed on sustainability projects, this will be likely from 2024 onwards, unless we see high return opportunities earlier. With our carefully chosen strategy and project portfolio OCI is very well positioned to drive the energy transition together with our strategic partners.

Maintaining strong capital discipline



Prioritizing projects with a short payback period[1,2]



[1] NPV calculated assuming a 12% floor, an upward sloping CO_2 price in EU, no subsidies and no pass-through of cost to customers

[2] Parameters for sensitives included natural gas, power, carbon prices and potential subsidies

DRIVING OUR STRATEGY FORWARD

With our volume growth delivered in 2020, we are focused on delivering our financial, operational, commercial, and decarbonization strategies

DELIVERING NEW CAPACITY RAMP-UP

Volume growth in 2020 and 2021

- With our growth program complete as evidenced by healthy volume growth in 2020, we enjoy a substantial reduction in execution risk and expect to deliver a full year contribution from our global platform in 2021
- We have a young asset base that, on average, can achieve better (1) gas-conversion (2) higher on-stream times, and (3) need lower maintenance capex versus older plants
- Going forward, we will optimize our energy efficiency and utilization rates to improve energy intensity and operating rates for organic volume growth, as well as improve reliability and reduce planned and unplanned downtime

Driver of improving FCF generation

BENEFIT FROM COMPETITIVE COST POSITIONS

Cash conversion metrics

- We benefit from a globally competitive position with access to cheap feedstock and a young asset base:
  - We are one of the lowest cost producers globally with sustainably low levels of capex
  - As the industry cost curve moves up, our cost advantage is increasing
- As a result of the capital structure optimization plan that we implemented over the last two years, we expect to have a substantially lower cash interest in 2021 compared to 2020

Driver of improving FCF generation

WELL POSITIONED FOR MARKET UPSIDES

Price recovery

- The outlook for our end markets has improved considerably in recent months and we believe our industries will benefit from attractive supply-demand fundamentals and steepening cost curve
- An increase of $25/ton for all products adds more than $330 million to group adjusted EBITDA on an annual basis, all else equal

Strong commercial position

- Our integrated and centralized commercial platform will continue to capitalize on our strategic global reach, implement our disciplined commercial model, and grow our trading activities to deepen our market penetration and enhance our netback pricing globally

Significant upside from price recovery

CRYSTALIZING OUR DECARBONIZATION PATHWAY

Growing from grey to green

- Focus on growing our green product portfolio, including decarbonized ammonia and methanol
- Continue to pursue low/smart capex projects and opportunities to achieve our GHG reduction targets by 2030, in line with the world's commitments in the Paris Agreement, while balancing with our commitment to deleverage
- **For more information on our sustainability strategy, please refer to the sustainability section beginning page 29**

Driving decarbonization through the hydrogen economy

We are well positioned for future deleveraging and improved credit metrics

HOW WE CREATE VALUE

As a global producer and distributor of nitrogen and methanol products, we aim to create sustainable value for all stakeholders and are committed to delivering sustainable solutions to our customers. We take a holistic approach to our business model to optimize all resources available to us, thereby maximizing our positive financial, social and environmental impacts for a greener future.

INPUT

Financials

$9.1BN
Assets

$2.7BN
Equity

Operations

300TJ
Energy consumed

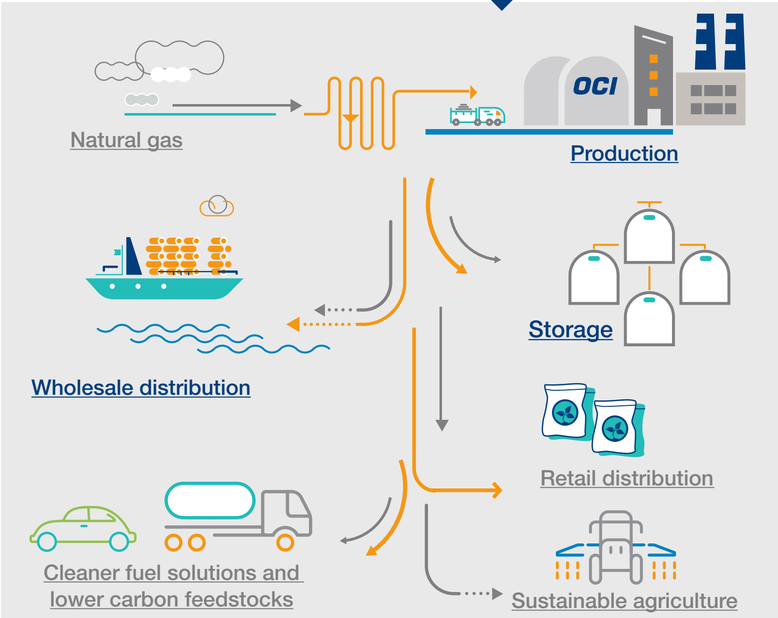
90.01M m³
Water consumed

People

3,682
Employees

100%
Compliance training enrollment

SUSTAINABLE BUSINESS MODEL



9
production sites

16.2mt
production capacity

1,418
rail tank cars

2
ammonia vessels

11
direct access to major waterways

2.1mt
storage capacity

63
countries reached

Providing cleaner fuel solutions and lower carbon feedstocks for our transportation and industrial customers

Providing key nutrients for optimized yields to meet the world's food production needs

abc Our position in the value chain

abc Our suppliers: Natural gas is our primary raw material. Each facility is supplied with natural gas by pipeline purchased through a mix of long-term contracts with national oil and gas companies in MENA, and spot purchases off national grids in the Netherlands and the USA. The total annual cost of our natural gas procurement depends on the volume of gas procured and fluctuations in market prices, and totalled $722.4 million in 2020. In addition to natural gas providers, our supply chain includes (but is not limited to) providers of transportation and logistics services, utilities, other production materials, maintenance and engineering services, advisory and professional services, facilities management, contracting, information technology including hardware and software services, and other needs as the business requires. The number of suppliers fluctuates depending on the projects and business activities but exceed 3,200 suppliers each year.

OUTPUT

$3.47BN
Revenue

$870M
Adj. EBITDA

2.26t GHG
Intensity

5.34mt CO_2e
Recycled

47.35M m³
Water discharged

0.09 LTIR

0.23 TRIR

10.51% women at OCI

2.20% turnover rate

IMPACT

For our communities:

Educational and social programs specifically tailored to meet each community's needs (p 59-65)

For our customers:

Efficient nitrogen products optimizing agricultural productivity (p 51)

Cleaner fuel solutions that significantly reduce GHG emissions versus conventional fuels (p 46)

For our employees:

Top quartile compensation in all of our locations, with average annual compensation of $93 thousand per employee

Improving diversity with 20.24% of senior leadership positions held by women in 2020

OCIs annual Safety Award went to OCI Nitrogen recognizing their outstanding safety performance

For our investors:

Competitive returns and a proven track record of value creation

For the world:

Helping optimize crop yields to feed the world (p 57-58)

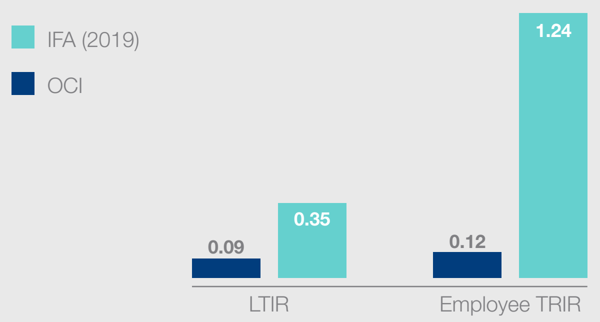
Improving energy efficiency and reducing GHG intensity through our operational excellence program and a differentiated decarbonization strategy that enables the hydrogen transition (p 11-17, p 39-48)

Business performance

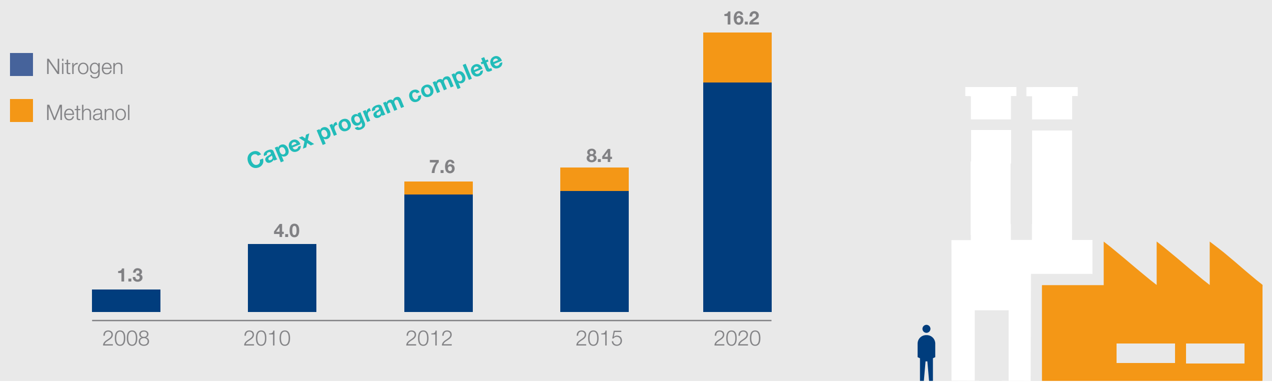
BUSINESS PERFORMANCE

Strategic priorities	Delivering our strategy	Our priorities	Contribution to SDGs
1 OPERATIONAL EXCELLENCE	• **Record HSE performance** achieved despite COVID-19 requiring stringent social distancing rules and reduced staffing per shift. Two HSE audits conducted at OCI Nitrogen and Fertil. • **Completed major turnarounds of 10 production lines** at OCI Nitrogen, Sorfert, OCI Beaumont, BioMCN, and Natgasoline following which we achieved high and steady utilization rates, particularly at OCI Beaumont and BioMCN. • **Record production at IFCo** achieved for all products and 10% over prior records for ammonia and urea liquor, and strong production volumes achieved across the group despite the slate of turnarounds. As a result, own-product sales increased by 23% year-on-year to a record 12.25 million metric tons. • **Appointed Bart Voet as Global Vice President of Manufacturing** to lead our global production platform.	• **Production efficiency:** with the completion of our production platform's growth, our focus will be on improving our run-rate utilization rates to maximize volumes and optimize product mix, and on energy efficiency to improve on costs on emissions where possible. • **HSE:** we will continue to build on our HSE processes, focusing on process and occupational safety KPIs, as well as environmental emissions performance and enhanced KPIs.	

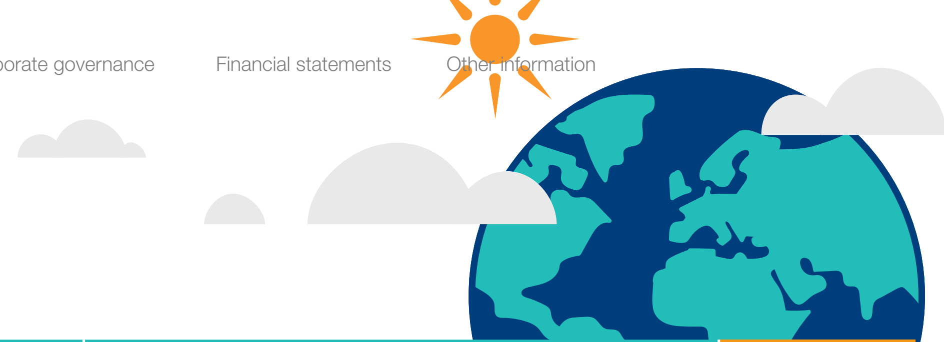
Industry leading safety performance



OCI's capacity growth 2008 – 2020 (mtpa)



BUSINESS PERFORMANCE CONTINUED



Strategic priorities

2

BUSINESS OPTIMIZATION

Delivering our strategy

- **Focused on developing our greener fuel solutions offerings**
  - Supplying ExxonMobil's UK subsidiary, Esso, with a biofuel alcohol mix consisting of bio-methanol and ethanol to be blended with all Esso's standard Synergy grade petrol sold in the UK. This enables OCI's customers to exceed mandated biofuel blending targets set by the UK and the EU without the introduction of a new fuel standard such as E10.
  - Supplying Essar Oil (UK) Ltd with bio-methanol as part of a biofuel alcohol mix, to be blended with all Essar's petrol sold in the UK.
  - Entered into two partnerships with RWE and Nouryon to purchase green hydrogen produced through electrolysers, which will be used to produce green methanol at BioMCN and help abate the plant's CO_2 emissions.
  - Secured a 7-year supply of renewable gas in the United States at competitive economics as part of our strategy to grow our US bio-methanol business.
- **Integrated Fertiglobe to achieve significant synergies.** The platform has yielded strong quantitative and qualitative benefits through:
  - a unified culture with dedicated leadership and corporate functions to strengthen governance and compliance;
  - excellent cooperation across sites to optimize operations, improve turnaround and capex planning, and share technical know-how;
  - centralized commercial decision-making resulting in improved premium price achievement through deeper downstream reach in key export markets to capture more in-land premiums, significantly reduced reliance on traders, and optimized trade flows to capture freight savings and maximize netbacks.

Our priorities

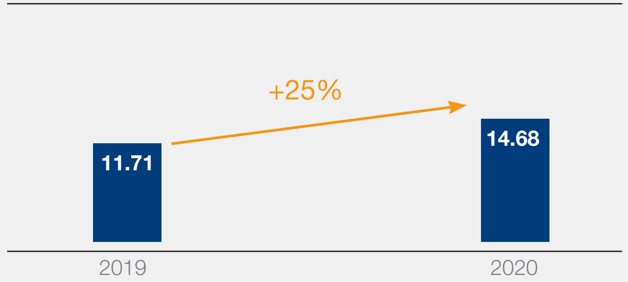
- **Continue to grow our green fuels portfolio** as part of our sustainability strategy, including continuing to roll out bio-methanol as a fuel, which helps reduce the carbon intensity of road transportation fuels in a highly efficient way. We also see many opportunities in other industrial applications where this versatile product can be used.
- **Further crystalize Fertiglobe's value creation**, particularly on the technical front to optimize production and energy efficiency.
- **Continue to evaluate strategic opportunities** including select add-on optimization opportunities, and multiple value enhancing opportunities for the methanol group as the outlook has strengthened considerably.

Contribution to SDGs

BUSINESS PERFORMANCE CONTINUED

Strategic priorities	Delivering our strategy	Our priorities	Contribution to SDGs
3 **GLOBAL COMMERCIAL STRATEGY**	• **Focused on increasing our downstream market participation** to enhance supply chain value capture through: - More active trading of third-party product, particularly ammonia, to opportunistically capture price movements. - Increased logistics investments including adding a second ammonia vessel, enhancing our warehousing positioning globally, and capitalizing on our exclusive access to key terminals and port facilities. - Grew our reach through commercial partnerships and supply agreements in key markets, and integrated the Dyno Nobel volumes into N-7's portfolio. - Grew Fertiglobe's ability to participate in larger tenders in key import markets such as India and Ethiopia. • **Continued to optimize our methanol commercial platform** by strengthening the US and European teams, and consolidating our bio-fuels business under OMM leadership to provide further depth and agility to strategic commercial decision-making.	• **Continue to build our global capabilities** through strategic partnerships, customer partnerships, and organically growing our team. We will also invest in logistical positioning through storage terminals and logistics assets and push further downstream to the end customer, evaluating supply chain margins versus costs to determine our optimal commercial approach.	

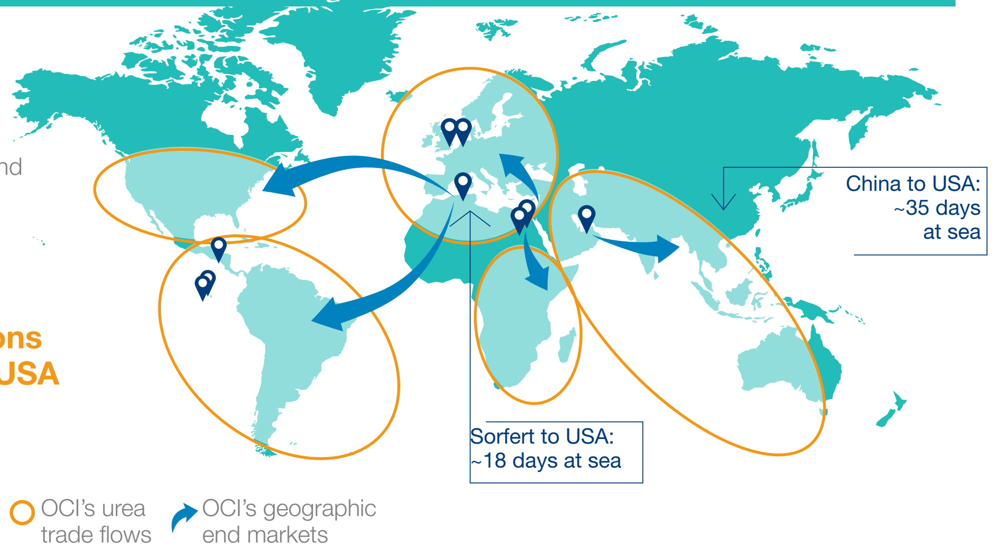
Total sales volumes grew 25% year-on-year



Centralized commercial strategy has environmental advantages

Our centralized commercial strategy has contributed to the displacement of over 1 million tons of Chinese urea exports to Europe, the Americas, and Africa in 2020, effectively saving approximately 66 thousand tons of CO_2e in vessel emissions, a 61% reduction as compared to 2017.

49% reduction in **CO_2 emissions** per shipment **delivered to the USA** from Sorfert instead of China



BUSINESS PERFORMANCE CONTINUED

Strategic priorities

4

SUSTAINABILITY

Delivering our strategy

- **We are driving our sustainability strategy and have announced 2030 and 2050 decarbonization targets**
- We believe we are uniquely positioned to reach our greenhouse gas (GHG) reduction targets and help the world decarbonize in line with the Paris Agreement, with ammonia and methanol being the most promising products to enable a hydrogen economy. Our strategy follows a gradual path from grey to green:
  - Efficient grey product production through our Operational Excellence platform: we have a proven track record in maximizing production efficiencies while minimizing emissions and waste
  - Blue and low carbon products: we have worked to expand our current product offering to develop cleaner and greener products for downstream uses and fuel solutions, including methanol, bio-methanol, diesel exhaust fluid (DEF)
  - Going green: we will work toward moving to 100% use of green energy and green feedstocks through short and long-term opportunities, which we describe in the Sustainability section beginning page 29.
- We are capitalizing on our strategic geographic positions in the United States, Europe and MENA to maximize our access to abundant and cost-effective renewables, and leverage our infrastructure to develop our green ammonia and methanol products.

Our priorities

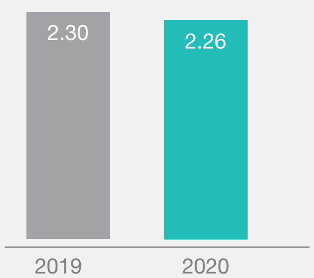
- **Focus on pursuing our announced decarbonization strategy through:**
  - Monitoring the achievement of internal decarbonization KPIs for each asset
  - Continue evaluating pipeline of carbon reduction projects balancing between capex needs, investment returns, and decarbonization potential
  - Identify and pursue key new partnerships that would enable decarbonizing without major capex
  - Focus on growing our green products portfolio to accelerate our non-project based decarbonization
  - For more information please refer to the Sustainability section beginning page 29.

Contribution to SDGs

3MT of methanol, bio-methanol, DEF, and green ammonia sold in 2020

- Cleaner fuels and feedstocks: 22%
- Other products: 78%

1.7% reduction in GHG intensity year-on-year



BUSINESS PERFORMANCE CONTINUED

Strategic priorities	Delivering our strategy	Our priorities	Contribution to SDGs
5 MAXIMIZING FREE CASH FLOWS	see below	see below	see below

Strategic priorities

5

MAXIMIZING FREE CASH FLOWS

Delivering our strategy

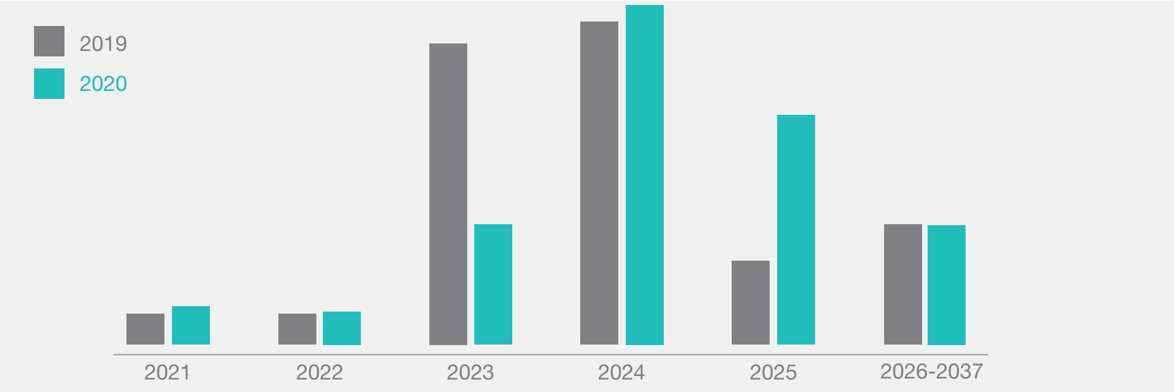
- **Demonstrated commitment to financial discipline and deleveraging:**
  - Refinancing: completed bond refinancing in October to achieve $23 million in annual interest savings and 50bps reduction in weighted average cost of debt from 4.98% to 4.48% (down from 6% at the end of 2018); also completed Fertiglobe refinancing to achieve $9 million annual interest savings for a total interest savings of more than $32 million.
  - $167 million cash consideration received from ADNOC in relation to the Fertiglobe business combination.
  - Natgasoline successfully completed a $120 million insurance settlement as compensation for properly damages and business interruption losses, of which $60 million was received in 2020 and the balance in early 2021.
  - Partial IFCo bond redemption of $147 million in February 2021 to reduce interest cost and debt subordination further simplifying our capital structure.
  - Covenants reset at zero cost with significant headroom. Leverage and interest cover covenants for our $850m Revolving Credit Facility amended to provide additional flexibility through 2021.
- **Achieved free cash flows of $305 million in FY 2020** on improved EBITDA, working capital, and lower financing costs.
- **As a result, deleveraged by $332 million** to end the year with net debt of $3.73 billion compared to $4.06 billion at 31 December 2019.

Our priorities

- **Remain committed to our financial policy** to prioritize our free cash flows towards deleveraging with a net leverage target of 2x through the cycle.
- **Continue to optimize and simplify our capital structure** through opportunistic financing at both the parent and subsidiary levels should it achieve further reduction of our weighted average cost of debt and the extension of our debt maturity profile.

Contribution to SDGs

Weighted average group debt maturity extended 6 months from 4.7 years to 5.2 years



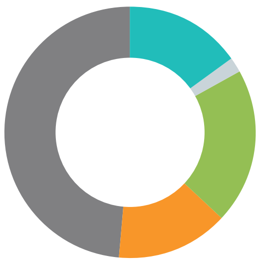
MANAGEMENT DISCUSSION AND ANALYSIS

$ million	2019	2020
Revenue	**3,031.7**	**3,474.1**
Adjusted EBITDA	**748.4**	**869.8**
Adjusted EBITDA margin	24.7%	25.0%
Adj. net income (loss) attributable to owners of the Company	(208.4)	(213.4)
Net income (loss) attributable to owners of the Company	(334.7)	(177.7)
Basic earnings per share	(1.598)	(0.847)
Operating profit as reported	105.0	187.0
Depreciation and amortization	(544.7)	(592.2)
EBITDA	649.7	779.2
EBITDA margin	21.4%	22.4%

Revenue by segment:

- Methanol US: 11%
- Methanol Europe: 9%
- Nitrogen US: 16%
- Nitrogen Europe: 22%
- Fertiglobe: 42%

Adj. EBITDA by segment:



- Methanol US: 16%
- Methanol Europe: 2%
- Nitrogen US: 21%
- Nitrogen Europe: 15%
- Fertiglobe: 51%

$ million	2020 performance drivers
Revenue	• **Sales volumes:** 25% increase in total sales volumes reaching a record 14.7 million metric tons, primarily due to a 23% increase in own product sold as well as a 36% increase in traded volumes sold. This offset weaker prices in 2020 as compared to 2019. • **Selling prices:** General weakness in average pricing for our products reaching trough cycles levels during 2020, driven by weak industrial demand due to COVID-19 production limitations, and overall weakness in global nitrogen fertilizer prices.
Adjusted EBITDA[1]	• Adjusted EBITDA increased by $121.4 million to $870 million, primarily driven by the revenue growth. • EBITDA margin slightly improved resulting from higher utilization rates of our plants and favorable gas prices in the EU and US, partly offset by the lower average selling prices.
Operating profit	Operating profit increased by 78.1% or $82 million in 2020 as compared to 2019, primarily as a result of: • Gross profit increased by $89.3 million due to a $442.4 million increase in revenue, partially offset by a $353.1 million increase in cost of good sold • Selling, general and administrative expenses were flat year-on-year as a result of a successful cost optimization program across the group.
Financing costs	• Finance income increased by $151.7 million to $212.5 million, driven by a $153.2 million increase in foreign exchange gains. • Finance cost increased by $24.7 million to ($412.4) million. This was primarily due to a $29.1 million increase in foreign exchange loss, partially offset by a $4.3 million decrease in interest expense on financial liabilities. • The foreign exchange gains and losses mainly relate to external financing and to the revaluation of intercompany balances in foreign currencies.
Net profit / (loss)	• Net loss of $94.1 million in 2020, compared to a loss of $300.2 million in 2019. Primarily driven by a higher operating profit and favourable impact of net financing costs due to foreign exchange differences. • Adjusted Net profit / (loss) attributable to the owners of the Company was a loss of $213.4 million in 2020, compared to a loss of $208.4 million in 2019.

[1] OCI N.V. uses Alternative Performance Measures (APM) to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 197-198 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

Condensed consolidated statement of cash flows for the years ended 31 December

$ million	2019	2020
Cash and cash equivalents at 1 January	**460.7**	**600.5**
Cash flows from operating activities	337.5	617.8
Cash flows from (used in) investing activities	(252.6)	(260.2)
Cash flows from (used in) financing activities	55.2	(244.9)
Net cash flows	140.1	112.7
Currency translation adjustments	(0.3)	(26.9)
Cash and cash equivalents at 31 December	**600.5**	**686.3**

Net debt as at 31 December

$ million	2019	2020
Long-term interest-bearing debt	4,392.7	4,226.9
Short-term interest-bearing debt	269.6	189.7
Gross interest-bearing debt	**4,662.3**	**4,416.6**
Cash and cash equivalents	(600.5)	(686.3)
Net debt	**4,061.8**	**3,730.3**

Outlook

We expect to continue to see healthy volume growth as we optimize utilization rates across the platform, and in particular benefit from an increased contribution of the methanol segments.

The outlook for nitrogen markets is positive for 2021, supported by healthy farm economics and expected strong demand growth in major nitrogen consuming regions. Methanol markets are similarly showing strong downstream demand growth as the global economy and industry activity recover.

Our priority remains to maximize free cash flow generation and we remain committed to our financial policy to deleverage towards 2x through the cycle. Based on the current market outlook for selling prices and our growth expectations for production and sales volumes for 2021, we expect a drop in net leverage to below 3.0x by year-end 2021. We will also continue to evaluate our capital structure to identify further cost effective refinancing opportunities.

$ million	2020 performance drivers
Cash flows from operating activities	• Cash flows from operations primarily reflect the change in net losses in 2020 and 2019, and changes in working capital. • Net loss was $94.1 million in 2020 compared to a net loss of $300.2 million in 2019, an improvement of $206.1 million. • Working capital inflows of $139.6 million compared to outflows of $1.1 million in 2019, a swing of $140.7 million.
Cash flows from investing activities	• Cash flows used in investing activities were $7.6 million higher than 2019, primarily due to the full year consolidation of Fertil • Total cash capital expenditures were $262.6 million in 2020 compared to $300.0 million in 2019, of which maintenance capital expenditure was $239.4 million and $169.8 million respectively.
Cash flows from financing activities	• Proceeds from borrowings in 2020 totaled $2,070.4 million, which consisted of the proceeds of new financing arrangements and changes in the outstanding amounts of revolving credit facilities. • During 2020, we successfully completed the refinancing at both the parent company and Fertiglobe level, which will generate cash interest savings of more than $32 million per year, as we lowered our weighted average cost of gross debt by c.60 bps to below 4.5%. As a result of the refinancing activities $51.3 million of cost were incurred mainly due to the bond redemption fee of $33.3 million. • Repayments of borrowings were $2,396.0 million in 2020, mainly related to the above refinancing and amortization of debt. • As part of the final post-completion settlement between the Company and ADNOC, an amount of $166.8 million in cash was received.
Free cash flow[1]	• Free cash flow before growth capital expenditure amounted to $304.7 million in 2020 reflecting the reported EBITDA for the year, working capital inflows, maintenance capital expenditure, and cash interest paid of $279.1 million.
Gross debt	• Gross interest-bearing debt decreased by $245.7 million due to repayments of $331.5 million, the aforementioned refinancing, and negative impact of exchange differences on Euro denominated debt.
Cash & cash equivalents	• As a result of a positive free cash flow and cash received for Fertiglobe closing settlement, cash and cash equivalents increased to $686.3 million.
Net debt	• Net debt stood at $3,730.3 million as at 31 December 2020, from $4,061.8 million as at 31 December 2019.

[1] OCI N.V. uses Alternative Performance Measures (APM) to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 197-198 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

'000 metric tons	2019	2020	% Δ
Own product			
Ammonia	1,907.1	1,656.8	(13%)
Urea	3,110.8	4,763.2	53%
Calcium Ammonium Nitrate (CAN)	1,140.8	1,371.8	20%
Urea Ammonium Nitrate (UAN)	1,489.6	1,749.9	17%
Total fertilizer	**7,648.3**	**9,541.7**	**25%**
Melamine	135.8	144.6	6%
DEF	508.7	636.2	25%
Total Nitrogen products	**8,292.8**	**10,322.5**	**24%**
Methanol[1]	**1,628.7**	**1,926.5**	**18%**
Total own product sold	**9,921.5**	**12,249.0**	**23%**
Traded third party			
Ammonia	160.6	284.3	77%
Urea	329.5	910.5	176%
UAN	24.1	41.3	71%
Methanol	482.6	258.8	(46%)
Ammonium Sulphate (AS)	713.6	712.8	(0%)
DEF	73.3	227.0	nm
Total traded third party	**1,783.7**	**2,434.7**	**36%**
Total own product and traded third party	**11,705.2**	**14,683.7**	**25%**

[1] Including OCI's 50% share of Natgasoline volumes

$ million	2020 market review	Market outlook
Nitrogen	• Nitrogen prices were down significantly in 2020 compared to 2019 reaching trough levels in the second quarter. • Nitrogen markets faced significant headwinds in 2020 on universally lower feedstock costs and COVID-19 uncertainty exposed nitrogen prices to weaker sentiment and significant volatility. • Ammonia prices in 2020 were particularly weak, falling to levels last seen in 2003, due to a slowdown in GDP/industrial activity more than offsetting one of the best US ammonia fall application seasons in a decade.	• Global nitrogen markets reset going into 2021 on tighter balances given robust demand forecast in all our key markets on improved farm economics supported by rising corn prices and higher corn imports from China and a recovery in industrial consumption. • Chinese urea exports are expected to be lower in 2021 compared to 2020 given higher fertilizer demand on strong domestic crop prices, growing industrial demand and higher coal prices. • Ammonia prices are benefitting from higher feedstock prices, a recovery in industrial markets, high-cost capacity shutdowns, and gas supply curtailments in Trinidad leading to a structural tighter market in 2021. • Our nitrates order book in Europe is healthy going into the second quarter of 2021. • Our US DEF sales reached record levels in Q4 2020 which combined with higher urea sales prices in the US supports an improving trend in 2021.
Methanol	• Methanol prices weakened in 2020 to trough levels as a result of COVID-19 and its adverse impact on crude oil prices, weaker global industrial demand and coal prices, Methanol-to-Olefins (MTO) affordability in China and exports from sanctioned countries to Asian markets offered at discounted prices.	• Rising utilization rates of MTO plants in China on the back of healthy MTO economics versus naphtha crackers have been a key driver of a rebound in methanol demand. • The outlook for downstream demand has improved, with fuel consumption picking up, and a return of global industrial and construction activity. • Long-term industry fundamentals remain positive, with expected new global supply additions of 6% expected to be needed to meet demand growth of 13% from 2021-24.
Natural Gas	• In 2020, natural gas prices in both the United States and Europe were significantly below 2019 as COVID-19 hit energy demand during lockdowns and mild weather exacerbated over-supply in the LNG market.	• In 2021, global gas prices particularly in Europe and Asia have increased on colder weather and tight LNG supply. • This has driven up marginal costs of production and supports selling prices for all our products. It also strengthens Fertiglobe's significant competitive advantage as a result of its fixed gas supply agreements. • However, forward curves suggest natural gas prices will revert to low levels for the foreseeable future, and we expect to continue to be a beneficiary of a competitively priced blended natural gas cost.

Sustainability strategy

OCI 2020 ESG AT A GLANCE

We are committed to environmental, social, and governance (ESG) principles, with environmental, social and governance matters fully integrated into our strategic objectives and executive compensation. Our Board of Directors are collectively responsible for ESG and have mandated our Executive Directors with direct day-to-day oversight on ESG matters

As a leader in our industries, we are cognizant of our responsibility to encourage sustainable practices in our policies, operations, supply chains, and communities. We are committed to our purpose of cultivating a sustainable world and believe our products are essential to achieving cleaner transportation, lower carbon industrial processes, and global food security. We have aligned our strategic priorities to create sustainable value for all our stakeholders—our customers, our employees, our communities, and our shareholders—and develop a greener future for the world.

ENVIRONMENTAL

Driving sustainable performance

- **Committed to 20% GHG intensity reduction by 2030 and carbon neutrality by 2050**
- **Leading player** in sustainable agricultural and fuel solutions
- **Uniquely positioned to enable the energy transition** for transport, feedstock, and industrial applications
- **Delivering rapidly through operational excellence while leveraging strategic partnerships** for long-term projects

60% GHG savings when bio-methanol is used as fuel vs gasoline

76% Seawater intake in high water stress regions

90% Lower N_2O emissions than global average

51% Lower NOx emissions than global average

SOCIAL

Diversity & Inclusion (D&I)

- **Fostering an inclusive culture**, where diversity is recognized and valued, and local talent is developed
- **Committed to 25% female senior leadership by 2025**
- Launched a groupwide D&I program to improve recruitment processes, conduct de-biasing training, provide sponsorship and mentorship of minority employees, and develop employee networks increased female board representation to 23% in 2020 from 17% in 2019

25% Female Executive Directors

23% Female Board Members

17% Female employees in US & EU segments

20% Female representation in senior leadership in 2020

GOVERNANCE

Robust governance and reporting framework encourages best practices across our value chain

- Robust governance structure with ESG oversight at the Board level and focus in the **HSE & Sustainability Committee**
- **Executive Directors' compensation tied to a basket of ESG** metrics and operational excellence
- All employees are trained on our compliance policies, Code of Conduct, and D&I Policy
- All suppliers are required to adhere to our Business Partner Code of Conduct
- Other ethics policies include Human Rights Policy, Anti-Bribery and Corruption Policy, Sanctions Policy, Insider Trading Code, Whistleblower Policy

100% Employees enrolled in our compliance framework training program

46% Employees covered by collective bargaining or unions

100% Whistleblowing reports investigated

C-Suite Executive Directors are responsible for compliance

OUR APPROACH TO SUSTAINABILITY REPORTING

Our sustainability reporting is designed to provide transparency on our ESG practices, policies, and performance, along with an assessment of the material trends, topics, and interactions influencing our ESG strategy.

How we report on ESG

Our ESG reporting takes the following into account:

Review of the key global and industry trends, challenges, and risks

We conduct a comprehensive review of the key risks, challenges, and megatrends impacting both the industries in which we operate and the world. These elements inform our strategic objectives, our risk management strategy, and allow us to identify opportunities to develop our business.

Stakeholder engagement and identification of material topics

We engage with stakeholders on a regular basis both directly and through industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries. Our stakeholder interactions provide us with insights into their key topics of interest and areas of concern, which is incorporated into our identification and monitoring of material topics.

In addition to engaging with stakeholders, we determine material topics and boundaries by benchmarking against industry peers and considering disclosure requirements and guidelines issues by various institutions and regulatory bodies.

Implementation of reporting frameworks

Our ESG reporting aims to comply with global best practices and recommendations from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). We also strive to report on how our businesses contribute to the United Nations Sustainable Development Goals (SDGs). Relevant disclosures are marked throughout this report, and the corresponding index pages begin on page 199.

Report boundaries

This report covers the fiscal year ended 31 December 2020, focusing on the material topics for OCI and its subsidiaries as listed in note 34 of our financial statements (unless otherwise noted).

> We are committed to reporting on our environmental, social, and governance (ESG) performance.

STAKEHOLDER ENGAGEMENT

RT-CH-210a.1

We engage with stakeholders on a regular basis through customer and investor meetings and calls, industry and investor conferences, customer service, employee meetings, surveys, portals and hotlines, community outreach programs, and governmental or regulatory interactions.

Our Executive Directors engage with key stakeholders on ESG and sustainability topics, reflecting our commitment at all levels of the organization.

In addition to our direct stakeholder interactions, we are an active member of several industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries.

During the year, key topics and questions raised by stakeholders included:

Stakeholders	Topics	Addressed through
Employees	Compensation and benefits, training and development, HSE and particularly COVID-19 safety	Townhalls, internal communication, employee surveys, training programs, COVID-19 HSE protocols
Customers	Relationship management, product information and distribution, supply chain, general feedback	Customer letters, direct communication by commercial leadership team, proactive supply chain management, product information and safety sheets published on our website
Investors	Market trends, operational excellence, overall business performance, risks related to COVID-19, ESG	Annual General Meeting, quarterly conference calls, investor meetings and conferences
Communities	Community safety and environmental impact, local socio-economic development programs, job opportunities	Engagement with community leaders, non-profits, direct donations, local recruitment

> We strive to maintain good relations with our stakeholders and engage regularly to cooperate on addressing the key challenges, topics, and opportunities related to our industries.

OUR MATERIAL TOPICS

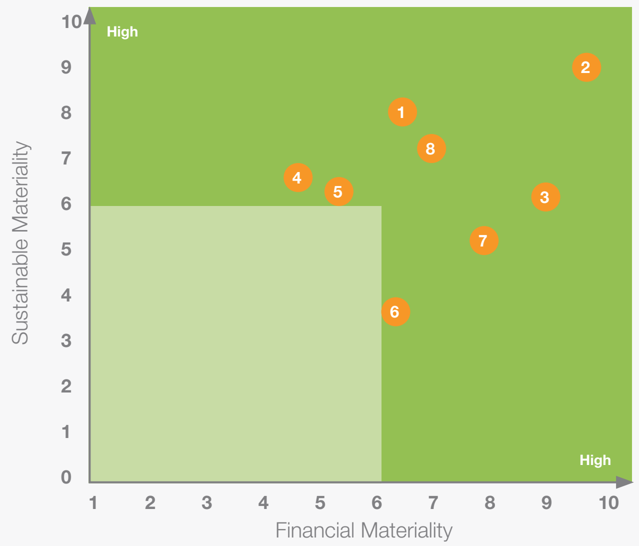
We define our material topics by assessing the topics raised by our various interactions with stakeholders, considering both financial and sustainability materiality in line with "double materiality" considerations as recommended by the EU Non-Financial Reporting Directive and its supplements. We also consider the global megatrends, challenges, and industry-specific risks that affect us, peer and industry reports, and recommendations made by global reporting frameworks.

We annually evaluate the impact these material topics have on our global value chain, our local operations and our stakeholders to report a holistic view of how we strive to sustainably manage our business. Our assessment criteria also considered the GRI's materiality principles of sustainability context, materiality, completeness, and stakeholder inclusiveness, as well as SASB's criteria for materiality.

After assessing a significant number of topics of interest, we have identified the below topics as being most material to our stakeholders and OCI.

> We take a holistic double materiality approach to identifying and defining our material topics

- **Stakeholder engagement with:**
  - Investors
  - Customers
  - Employees
  - Communities
- **Global megatrends**
- **Industry challenges**
- **Internal risk management**
- **Research reports**
- **Peer reports**



Number	Material Topic
1	Occupational health and safety
2	Environmental impact and climate
3	Energy efficiency
4	Local economic development
5	Food security
6	Human capital and D&I
7	Ethics and integrity
8	Water stewardship and waste management

OUR COMMITMENT TO A SUSTAINABLE WORLD

Driving decarbonization with a focus on sustainable value creation and contributing to the UN Sustainable Development Goals (SDGs)

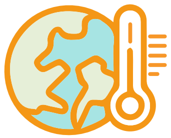
	What we do	Quantifying our contribution		
Feeding the world and providing global employment opportunities	• Our nitrogen fertilizers allow farmers to increase crop yields and improve food quality, resulting in improved food availability and improved diets. • Providing direct and indirect employment opportunities with commitment to maximize local employment and developing their skills. ~70% of our employees are employed in MENA, and we consistently rank in the top quartile of annual compensation across our locations. • Good workplace practices as described in our Code of Conduct and other policies promotes a safe and encouraging workplace, diversity, and equal opportunity.	**100%** Top quartile compensation at all locations **3,682** Employees in 2020	**12MT** Nitrogen fertilizers sold in 2020 **0.09** LTIR performance is 74% better than peers per IFA	5 Gender equality; 1 No poverty; 2 Zero hunger; 8 Decent work and economic growth
Producing green fuel solutions to drive the energy transition	• Our fuel solutions provide clean alternatives to significantly reduce GHG emissions by 60% versus conventional fuels. • Strong midstream and downstream contribution to decarbonization through promoting the use of green/blue ammonia and methanol as a hydrogen carrier, clean fuel, and decarbonized input for downstream industrial processes.	**#1** Global bio-methanol producer	**3MT** Cleaner fuel solutions sold in 2020 (methanol, bio-methanol, DEF, green ammonia)	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 13 Climate action
Minimizing environmental impact through nutrient and product stewardship	• Maintain safe, environmentally responsible production sites that aim to protect local environments and ensure safe communities. • Commitment to educate farmers on nutrient stewardship allows them to maximize yields through optimal fertilizer application. This reduces soil nutrient loss, protects from deforestation, and minimizes runoff to groundwater.	**112K** Our digital resources reached over 112,000 users in 2020	**44%** Lower CAN CO_2 footprint than the European average	14 Life below water; 15 Life on land
Continuously invest in best-in-class technologies and operational excellence	• Maintaining state-of-the-art production facilities, coupled with the positive impact of our sustainable fuels portfolio, allows us to minimize our emissions and consequently reduce our impact on climate change. • Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for fresh water.	**2.26** GHG intensity in 2020	**1.51** Water consumption intensity in 2020	6 Clean water and sanitation; 12 Responsible consumption and production

Sustainability Report | Environment

GLOBAL INDUSTRY MEGATRENDS

These megatrends and their associated risks, challenges and opportunities inform our strategy, better serve our customers, and develop the tools, products, and services that promote sustainable farm and fuel practices to holistically improve our global environmental and social impact.

We monitor the global megatrends affecting our industries and our stakeholders

Key megatrends	Key risks and challenges	Key opportunities
Food security 	• Risk of current agricultural systems not producing enough food by 2050, while minimizing potential of deforestation and protecting ecosystems. • Finite availability of arable land coupled with soil degradation increases risk of deforestation and biodiversity loss. • Global shifts in dietary preferences may result in changes to crop production and agricultural patterns.	• As a leading nitrogen fertilizer producer present across the globe, we are well positioned to promote the efficient use of nitrogen fertilizers and best practices. • This ensures soil health, high yields, re-forestation, and proper irrigation to minimize water stress, maximize Nutrient Use Efficiency, and minimize nutrient losses to the environment (air, groundwater, surface water).
Climate change 	• Impact of changing weather patterns, and extreme weather events on supply chain and farming seasons. • Global push to decarbonize to mitigate climate change. • Water stress both as a result of climate change and demand growth from human and industrial consumption.	• We are focused on developing our renewable energy use to reduce our dependence on carbon-emitting fossil fuels in our production processes. • We are growing our renewable and clean energy product solutions for our non-agricultural products, with a particular focus on the energy transition. • We are developing more efficient nitrogen fertilizers (e.g.: low-carbon variants) and promoting nutrient stewardship.
Circular economy and changing farming practices 	• Changing farmer economics and farmer profiles, such as: aging farmers, changing technology pushing for digitization in agriculture, and a growing focus on resource scarcity. • Sustainability drive to recycle/reduce nutrient loss and reuse existing nutrients reduces demand for conventional fertilizers, and improves food value chain integration.	• Adapting farm economics to be more sustainable by developing low-carbon fertilizers, digital solutions, and micro-financing opportunities. We are participating in projects that support farmer education, and provide several digital tools. • We are integrating circular economy concepts in our manufacturing processes.

Key Global Decarbonization Challenges...

- Food
- Fuel
- Feedstock

... Have Common Solutions....

Ammonia and methanol as hydrogen carriers, green fuels, and green decarbonization feedstock

... That are Growth Opportunities for OCI

Uniquely positioned to enable the energy transition through our geographic presence and product mix

OUR APPROACH TO CLIMATE CHANGE - RISKS AND OPPORTUNITIES

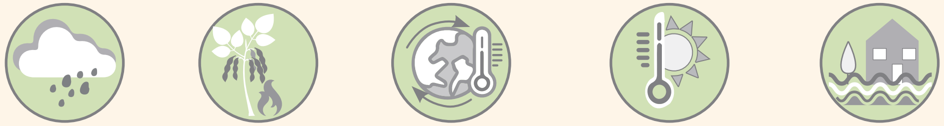
TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
RT-CH-530a.1

Our Enterprise Risk Management (ERM) framework equips us with the policies and procedures to facilitate the evaluation and management of risks across our organization. We assess and monitor the physical and transitional risks presented by climate change as one of our primary risks, and believe we have adequate mitigation and sustainability strategies to maximize the opportunities to develop our business and help combat climate change. We also consider SASB Chemicals Sustainability Accounting Standards along with TCFD recommendations when assessing our climate-related risks. Please refer to pages 77-88 for a detailed explanation of our ERM framework, executive and board responsibilities, and descriptions of our other primary risks and mitigation strategies.

Climate change presents physical and transitional risks for our businesses, industries, supply chains, customers, and communities.

PHYSICAL RISKS

Extreme weather events | Water stress | Changing weather patterns | Rising global temperatures | Rising sea levels



Physical risks caused by rising global temperatures include extreme weather events (hurricanes, floods), changing weather patterns, increased water stress, and rising sea levels. These events and changes can impact our supply chain, disrupt planting cycles and growing conditions, and impede farmers' ability to apply crop nutrients.

Potential impact

- Rising insurance costs and lower pay-outs
- Unplanned downtime
- Interruption to supply chain, such as power outages caused by hurricanes
- Changing weather patterns impacting availability of water and reducing predictability of planting seasons
- Commodity price volatility

TRANSITIONAL RISKS

Regulatory changes | Cost to transition to lower emissions technology | Dietary shifts

Transitional risks associated with transitioning to a lower-carbon economy are primarily related to (i) changes in carbon-linked regulations and policies, such as the ETS system, the proposed European carbon border adjustment mechanism, and other potential carbon taxation mechanisms, (ii) costs associated with transitioning to lower emissions technology and resource efficiency, and (iii) dietary shifts to more plant-based nutrition.

Potential impact

- Higher capital expenditures to transition to lower emissions technologies
- Higher or new taxation measures on carbon-related products
- Changes to crop demand to accommodate dietary shifts to more plant-based nutrition

OCI's resilience: mitigants and opportunities

- **Decarbonization pathway:** we are pursuing a decarbonization strategy with long-term targets, as described on pages 39-40.
- **Green products:** we are growing our sustainable fuel and feedstock solutions portfolio to accelerate our path to decarbonization, as described on pages 46-51.
- **Water efficiency:** we are focused on continuously improving our water efficiency, particularly in water stressed regions where we primarily use seawater, as described on pages 53-56.
- **Low carbon nutrients:** our low-carbon nitrates and de-carbonizing efforts for our nitrogen fertilizers help reduce farming emissions, and our nitrogen fertilizer product offering is key maximize soil health and feeding the crops that are the favoured by global dietary shifts, described on pages 51 and 57.
- **Digital solutions:** our digital applications help farmers monitor weather patterns to optimize their activity planning and calculate optimal nutrition application, as described on page 58.

OUR APPROACH TO CLIMATE CHANGE

TCFD Strategy (a) (b)
TCFD Metrics & Targets (a) (c)

As a producer of nitrogen-based products, we generate greenhouse gases along our value chain. However, our products are essential to meet the global challenges of food security, decarbonized industrial processes, and cleaner fuel solutions by playing a key role to achieving climate neutral food, fuel, and feedstock for production processes.

Our nitrogen fertilizers are essential to achieving the crop yields necessary to meet global food demand. We believe that ammonia and methanol are the most promising products to enable the energy transition, with their application as shipping fuels being particularly promising as these products can help this sector decarbonize in a cost-effective way. Other products in our portfolio such as methanol, bio-methanol, and DEF are important contributors to the development of cleaner fuels.

Accordingly, through their respective cycles, our end products all contribute positively to the fight against climate change by aiding the sequestration of carbon in farming, land reclamation, and the elimination of transport emissions.

With production facilities in five countries around the world, our operations are subject to different environmental regulations, but we are unequivocal in our goal to reduce our environmental impact wherever possible. This has been our policy since we first entered the nitrogen space in 2008.

We have invested heavily in achieving this by both minimizing our environmental footprint through continuous investment in state-of-the-art technologies to maintain one of the world's youngest and most efficient asset fleets, and maximizing our development of greener products, including our cleaner fuel solutions portfolio.

We are committed to being an environmental steward and have aligned our strategy to the world's goal of combating climate change, as established through the 2015 Paris Climate Agreement.

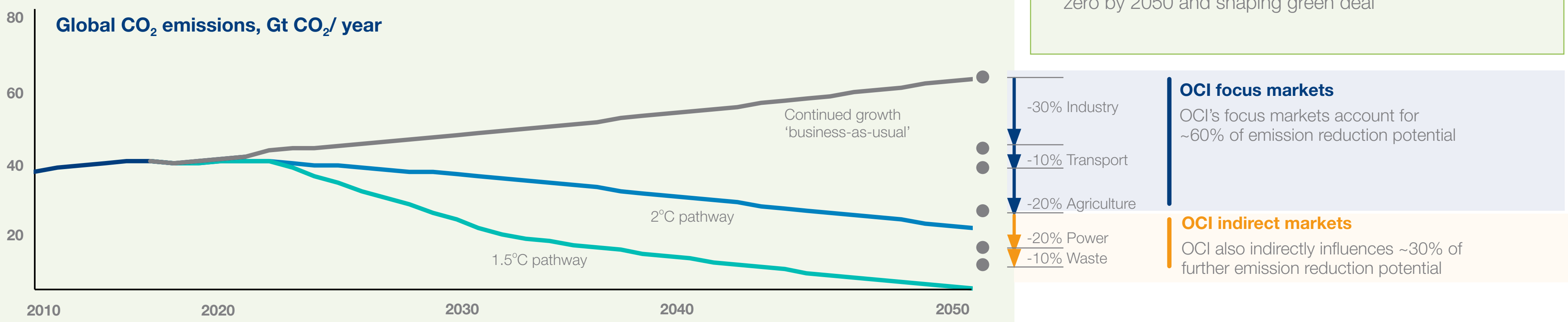
We have announced environmental targets to reduce our scope 1 and 2 greenhouse gas emissions intensity by 20% by 2030, which highlights our commitment to reduce our climate impact throughout our value chain such as further improving our production processes and feedstock sources, farmer education, supply chain efficiencies, and product innovations.

We aim to achieve our targets through a comprehensive climate strategy that includes investing in cleaner technologies and projects, recycling and reusing resources, and cooperating with all our stakeholders, industry peers, governments, and other institutions in the fight against climate change.

To limit global warming, the world needs to rapidly reduce annual emissions. OCI's focus markets need to contribute to these emission reductions

Governments have set targets for the 1.5-2°C pathway

- EU Green Deal to cut emissions by 55% in 2030 and reach net zero by 2050
- US recommitted to Paris agreement targeting net zero by 2050 and shaping green deal



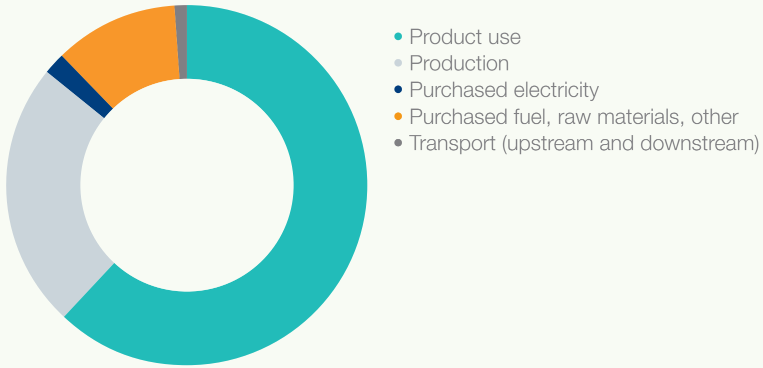
SUSTAINABILITY STRATEGY

TCFD Metrics & Targets (a) (c)

Quantifying our GHG emissions baseline

During the year, we engaged an external climate change and sustainability consultant to quantify the group's Scope 3 greenhouse gas emissions and abatement initiatives for Scope 1, 2 and 3. Our 2019 total emissions were quantified as follows in accordance with the Greenhouse Gas Protocol:

Scope	Category	CO_2e (Mn metric tons)	%
1	Production	9.2	24
2	Purchased electricity	0.6	2
3	Purchased fuel, raw materials, other	4.2	11
	Transport (upstream and downstream)	0.5	1
	Product use	23.3	62
Total		**37.8**	**100**



Setting long-term environmental targets

We have set a groupwide target to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by **20% by 2030** and aim to achieve **carbon neutrality by 2050**. We have set our environmental targets as a significant step towards aligning to the 2°C pathway. We are exploring joining the Science Based Target Initiative (SBTi) in the next few years and anticipate moving to a science-based target in the future.

2019 was chosen as the base year in line with the Science Based Target Initiative's (SBTi) recommendations, and as it was the first year following completion of our expansion program. It was restated to include a full year of emissions from Fertil and 50% of Natgasoline. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology.

How we calculate GHG intensity:

- **Emissions boundaries:** Gross Scope 1 and 2 greenhouse gas emissions, stated in carbon dioxide equivalent terms, calculated using the EU ETS methodology. This means that the CO_2 used in the production of urea and other downstream processes, which is defined as Scope 3 as per the GHG Protocol and part of scope 3 in the table above, is included. By including the CO_2 that goes into downstream processes, we eliminate the fluctuations that may occur when we make any changes or experience downtime in our downstream product mix and present a transparent view of the CO_2 produced when making ammonia. This also better aligns us to the SBTi's methodology.
- **Production boundaries:** Gross ammonia production on a nutrient-ton basis, and our total methanol production on a product ton basis. We believe this most accurate reflects the nitrogen content of our production portfolio, eliminates the possibility of double counting downstream products and normalizes for annual fluctuations in our product mix.

SUSTAINABILITY STRATEGY
CONTINUED

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
TCFD Metrics & Targets (a) (c)
RT-CH-110a.2

We have spent considerable time developing a roadmap to achieve these targets, consisting of both short-to-medium term and long-term value-enhancing initiatives offering sustained environmental and operational benefits.

Our operational excellence program is expected to deliver approximately 5-7.5% of our target through a strong focus on energy efficiency and asset reliability, which will be achieved through short-to-medium term quick wins at no or low capital expenditure requirements while simultaneously generating more than $75 million of annual incremental EBITDA. This is further described on pages 43-44.

We believe we can deliver approximately 12.5-15% of our target through new strategic, lower carbon initiatives that follow the transition pathway of grey to blue to green, capitalizing on both new and established technologies such as waste gasification, CCS, purchased blue and green hydrogen, and switching our facilities to renewable energy sources (RES), which will contribute approximately 4% of our target at no or low economic cost.

Driving decarbonization through value enhancing operational and environmental initiatives

5-7.5% emission reduction through operational excellence

- ~5% expected at **no/low costs** in the short-to-medium term, **~$75 million p.a. EBITDA to be delivered over 3 - 5 years**
- ~0-2.5% with capital in the medium-to-long term with focus on economic payback[1]

Accelerated focus on **reliability, capital performance and energy efficiency**

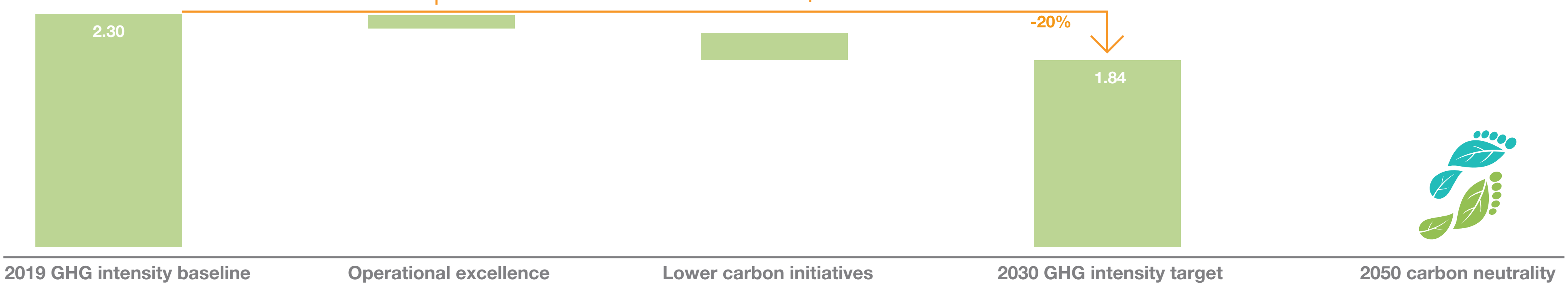
12.5-15% emission reduction through new strategic, lower carbon initiatives

Ongoing activities in lower carbon products and switch to RES at **low/no economic cost** account for ~4% emission reduction

Partnerships and lower carbon technologies **ensure optimal value creation**

Transition pathway

Blue	Green	Other solutions
• CCS/U • Purchased blue hydrogen	• Biofuels • Green hydrogen, ammonia, and methanol from RES[2]	• Waste gasification • Bio-methanol • RES to substitute current power (Scope 2)



[1] Consolidated scope 1+2 calculated on EU ETS methodology on total ammonia and methanol production on a nutrient ton basis. Ability to achieve these targets is subject to supportive regulatory environment, subsidies, technology advancements, and national environmental targets. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology.

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
RT-CH-110a.2

While there is no single or straightforward solution to reducing GHG emissions in our value chain, we have identified several short, medium, and long-term opportunities to transition from fossil fuels to a low-to-no carbon mix, which will help meet the ambitious targets set by the Paris Agreement.

We believe we are uniquely positioned both in terms of our product mix and global geographic presence to enable the energy transition and the decarbonization of **food, fuel, and feedstock**, with ammonia and methanol emerging as the most promising products to achieve this.

While we are fully committed to pursuing our reduction strategy, we cannot do this alone, and are dependent on the timing, scale and area of focus of regulatory and fiscal support, such as US environmental policies, the EU carbon border tax mechanism, and governmental support and subsidies for green initiatives.

Our strategy to achieve our long-term GHG reduction targets is multi-disciplinary and multi-pronged, ensuring that all aspects of our business are fully aligned to achieve these targets.

Sustainability transitions are required to decarbonize the global economy

Food
Agriculture, including crop production, accounts for ~20% of global GHG emissions

Fuel
Continuously growing transport sector emits ~10% of global GHG emissions

Feedstock
Industry emits ~30% of global GHG emissions, of which 90% are CO_2 emissions

Ammonia and methanol have a pivotal role in these sustainability transitions

	Fuel	Feedstock or energy carrier
Blue/ Green ammonia	Of the future potential fuels, blue or green ammonia is one of the few fuels to address all emissions.	Blue or green ammonia is a lower cost alternative to transport hydrogen.
Bio/ Green methanol	Bio or green methanol is the only low carbon fuel that can be used effectively in road transport with an 84% higher density than hydrogen.	Bio or green methanol is considered an efficient and promising green hydrogen carrier with a 70% higher density than hydrogen.

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

TCFD Strategy (a) (b)

Decarbonizing Our Value Chain

-20% GHG intensity reduction by 2030

OCI's upstream and onsite decarbonization

SCOPE 1

Decarbonizing production processes through:

- Blue Hydrogen (CCUS)
- Circular Hydrogen (Waste-to-Syngas)
- Green Hydrogen (Renewable Electrolysis)
- Biobased Feedstock (2nd & 3rd generation)

And maximizing our energy efficiency to reduce our emissions

SCOPE 2

Decarbonizing our utilities through:

- Renewable Energy Power Purchasing Agreements

SCOPE 3

Minimizing our upstream emissions through:

- Working with our supply chain partners to decarbonize the transport of raw materials to our assets

Downstream decarbonization

Sustainable farming

Decarbonized production processes leads to:

- Low carbon nitrogen fertilizers
- Organic nitrogen fertilizers when using green, circular and biobased Hydrogen, Nitrogen and CO_2 as feedstock

Minimizing downstream emissions through:

- Supporting farmer education programs (e.g.: 4Rs)
- More effective fertilizers (OCI's Nutramon, green ammonia, Exacote)
- Inhibitors and slow release fertilizers

Green chemicals

Decarbonized production processes leads to:

- Low carbon and zero carbon industrial chemicals allowing customers to decarbonize a wide range of products in the chemical value chain
- **Green/Bio-methanol and ammonia for industrial use**

Minimizing downstream emissions through:

- Recycling finished products at end-of-life in a waste-to-syngas process to be used as a perpetual feedstock in OCI's plants and contributes to the circular economy

Green fuels

Decarbonized production processes leads to:

- Low and no carbon green fuels which help our downstream value chain minimize emissions

Minimizing downstream emissions through:

- **Green Ammonia as the fuel of the future**
- **DEF to abate NOx emissions from diesel**
- **Green/Bio-Methanol for various transportation modes**

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

The Global Operational Excellence Program is already set in motion and is being rolled out across all our sites.

Maximising production efficiencies while minimizing emissions and waste

The program is founded on three key pillars that are tightly interlinked: Process Safety, Reliability and Energy Efficiency. The program is expected to yield significant reductions in GHG intensity and contribute approximately $75 million per year in incremental EBITDA over the next three to five years.

Process safety enables reliability, which in turn enables energy efficiency to achieve lower GHG emissions

Process safety

- **Leading process safety design elements** featured by OCI's young asset base
- **Site led improvement programs** reflecting the site-specific process safety priorities
- **Groupwide leading performance KPI's** and best practices for Process Safety Fundamentals

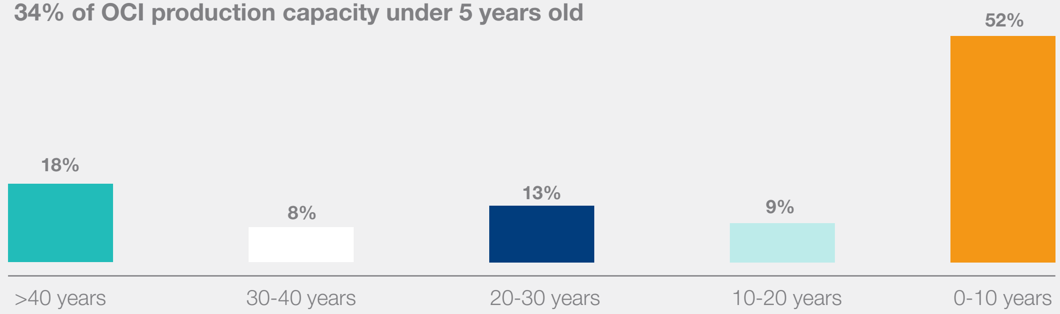
Reliability

- **Site-led improvement programs** reflecting site-specific priorities and the "Focus & Follow Through" approach
- **Global reliability program** focused on the identification and elimination of repeat issues
- **Structured readiness reviews** for major turnarounds to improve completion times, competitiveness and predictability

Energy efficiency

- **Energy-efficient designs** featured by OCI's young asset base
- **Immediate focus on operational excellence**, supported by industry leading monitoring tools
- **Reviewing our energy and feedstock purchases** with the aim to increase our use of green or renewable sources, including increasing our purchase of renewable power (such as solar and wind energy) and increasing our consumption of bio-fuels and alternative green feedstocks
- **Identify and pursue further efficiency through select value accretive investments**

Youngest asset base relative to global peers with approximately 34% of OCI production capacity under 5 years old



Contribution to SDGs

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Operational excellence

We are committed to excellence in every aspect of our organization. We continuously look for ways to maximize our production efficiencies, minimize our emissions and waste, and maintain our industry leading health and safety records. Operational excellence is integral to optimizing energy efficiency, which in turn is necessary to minimizing our scope 1 GHG emissions as the bulk of our scope 1 GHG emissions are emitted when we consume natural gas to produce ammonia and methanol. Our assets hold global certifications recognizing the quality of our environmental management processes, such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and RC 14001 Responsible Care Management System, on which employees are also trained. Other certifications include REACH, International Sustainability and Carbon Certification (ISCC), and Fertilizers Europe Product Stewardship. We are compliant with the applicable environmental regulations at each of our locations.

N_2O and NOx abatement

Nitrous oxide (N_2O) is 298 times more potent than carbon dioxide (CO_2) as a greenhouse gas and is primarily produced by our nitric acid plants. We have invested heavily in our nitric acid plants to bring our nitrogen oxide (NOx) and N_2O emissions down to nearly zero by installing best available abatement technology such as de-NOx or selective catalytic reduction units and catalyst replacements through our responsible catalyst management processes.

As a result of these investments, our global N_2O emissions are 90% lower than the global average for nitric acids plants, and our overall NOx emissions are 51% lower than the global average for nitric acid plants. We continue to evaluate ways to achieve further reductions of our NOx and N_2O emissions.

Continuous reliability and process improvements

We continuously assess and make improvements to our plant processes, turnarounds and maintenance stops. This both helps maximize asset reliability and reduce planned and unplanned downtime, which can result in higher GHG emissions than normal during plant start-ups.

Best Available Control Technology

All of our facilities in the United States implement Best Available Control Technology (BACT), a pollution control standard mandated by the United States Clean Air Act, to minimize our environmental impact.

Contribution to SDGs

Maximising production efficiencies while minimizing emissions and waste

Waste heat capture and recovery

The waste heat and steam systems in all our plants are highly integrated and we endeavor to use all heat within our processes to make use of energy in the most efficient way possible.

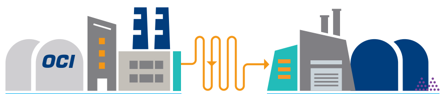
Renewable energy

The primary feedstock at all our production facilities is natural gas, which represents approximately 95% of our total energy use, and is predominantly used to produce ammonia and methanol. We are reviewing our energy and feedstock purchases with the aim to increase our use of green or renewable sources, including increasing our purchase of renewable power (such as solar and wind energy) and increasing our consumption of bio-fuels and alternative green feedstocks. We believe we are well positioned to capitalize on global low and no-carbon hydrogen opportunities given our unique geographic positioning, which we believe will allow us to significantly decarbonize our production processes in the future.

CO_2 capture, recycling, and sale

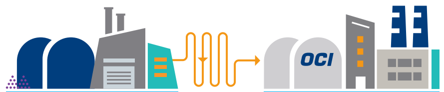
Our production facilities emit greenhouse gases directly from the conversion of natural gas into our products, and indirectly through the generation of purchased electricity and steam. We diligently work to minimize our CO_2 emissions by investing in reduction technologies, recycling CO_2 within our downstream processes, and selling CO_2 to third parties. We are also exploring carbon capture and storage (CCS) opportunities as described on page 45.

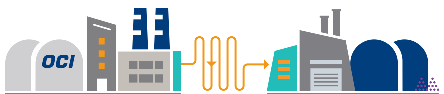
In 2020 we:



Sold 0.34 million tons of CO_2 to other industrial users

Purchased 0.18 million tons of CO_2 to produce methanol





Captured 4.8 million tons of CO_2 by using it in our production processes

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Strategic partnerships with industry leaders on announced projects in Europe, and lower carbon projects being developed across our global asset base

Decarbonizing through low-carbon product innovation

We have numerous initiatives underway to capture the transitional potential by partnership with industry leaders. We have partnered with Nouryon and RWE on three projects[1] that allow us to offtake green hydrogen at competitive prices with minimal project development costs to OCI:

- We have agreed to **off-take green hydrogen** produced through a 20MW electrolyser from Nouryon, abating BioMCN's CO_2 emissions by up to 27ktpa. The project can be scaled up to 60MW in the future.
- We have agreed to **off-take green hydrogen** produced through a 50MW electrolyser with direct connection to RWE's Westereems wind farm, abating BioMCN's CO_2 emissions by up to 18ktpa.
- We have agreed to be the main-offtake partner for RWE's FUREC project, a large-scale waste-to-hydrogen project that will use proven and commercially available technology to **convert waste streams to circular green hydrogen**. OCI Nitrogen will use this green hydrogen to replace some of its natural gas needs to produce ammonia. Accordingly, the project both reduces the carbon dioxide that would have been emitted from waste incineration as well as through our natural gas-based ammonia production. Once operational, FUREC will save more than 200 million cubic meters of natural gas every year, with is equivalent to about 20% of OCI Nitrogen's total natural gas consumption and would abate a total of approximately 380 thousand tons of CO_2 in its boarder value chain, of which approximately 160 thousand tons would be at OCI Nitrogen.

In addition to these projects, we are evaluating carbon capture and storage opportunities for our assets in the Netherlands, the US and MENA. The blue hydrogen pathway is a cost-effective decarbonization opportunity, pending carbon prices and subsidies. In the Netherlands, CO_2 emissions from the ammonia production process to be captured and stored under the North Sea and represents approximately 485 thousand tons of CO_2 abatement potential at OCI Nitrogen. As CCS technology and projects develop, we expect it to become a cost-effective blue hydrogen pathway to decarbonize our ammonia and methanol production.

While we are fully committed to pursuing decarbonization opportunities, we cannot do this alone, and are dependent on the timing, scale and area of focus of regulatory and fiscal support, such as US environmental policies, the EU carbon border tax mechanism, and governmental support and subsidies for green initiatives.

[1] Subject to supportive subsidies and definitive documentation

Contribution to SDGs

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Decarbonizing through low-carbon product innovation

Product innovation

We are committed to developing products and initiatives to provide cleaner and more sustainable solutions to our customers. We aim to grow the share of low carbon products in our portfolio, which include bio-methanol, green ammonia, and diesel exhaust fluid.

Bio-methanol

We are a **leading bio-methanol producer**, using biogas rather than natural gas at our Dutch and US methanol plants. Bio-methanol is an advanced second-generation biofuel that is produced using bio-waste, meaning it not only reduces our own consumption of natural gas, but also provides an outlet for waste that would otherwise emit methane, which represents 16% of global GHG emissions and traps ~36 times more heat in the atmosphere than CO_2 over 100 years.

When used as a fuel, bio-methanol provides a 60% reduction in greenhouse gas emissions versus petrol or diesel, which means it is an excellent clean alternative fuel to meet renewable fuel standards.

Bio-methanol is a fast-growing product with our sales volumes increasing at a 75% CAGR since 2018. However, we believe this remains an underpenetrated market that will grow rapidly over the medium term, particularly if regulations such as the EU Renewable Energy Directive, the UK Renewable Transport Fuel Obligation, and the US Renewable Fuel Standards continue to require vehicles to shift away from conventional fossil fuels. We estimate that EU regulations will require a 17% annual increase in advanced bio-fuels by 2030.

As an industry leader in biogas procurement, we are very well positioned to meet this demand as the market grows and are able to continue making an incremental margin over the production and sale of grey methanol. We also see many opportunities in new applications where this versatile product can be used as an environmentally friendly building block for products such as cosmetics, building materials, paints and many other downstream applications.

We have entered into several recent bioproduct supply agreements with Essar Oil, ExxonMobil, strengthening our market-leading position in renewable methanol, and we will continue to roll out bio-methanol as a fuel and industrial feedstock.

Diesel Exhaust Fluid (DEF)

We are seeing similar regulatory-driven growth for another of our premium-priced products – DEF, often our highest margin product out of IFCo. DEF is a urea-based solution that is added to Selective Catalytic Reduction (SCR) engines to eliminate NOx and particulate emissions created in diesel exhaust, with the added advantage of improving vehicle fuel economy by approximately 5% and using diesel fuel more efficiently.

We are one of the largest producers and distributors of DEF in the US, with IFCo capable of producing a million tons, and our US distribution arm, N-7, also marketing DEF produced by Dakota Gasification and Dyno Nobel.

Our fuel products

- Bio-Methanol
- Bio-MTBE (tolling) arrangements
- Bio-Methanol / Ethanol Mix

Key transport markets

Our fuel products have 4 key advantages

1. Advanced second generation bio-fuels
2. Lower consumption of fossil fuels
3. Provide an outlet for biowaste to reduce methane emissions from waste sources
4. Provide up to a 60% reduction in GHG emissions

Regulations in the US, EU and China are driving demand growth by requiring the replacement of older vehicles, particularly heavy-duty trucks, coupled with higher dosing rates in newer generation diesel engines. We see this as being the only viable option for emissions abatement for truck and rail in the foreseeable future as the switch to electric vehicles has proven to be unsuccessful to date for heavy duty trucks or farm vehicles due to poor power-to-weight ratios. We have grown this business by 34% over the past year despite the transport sector hit by COVID to reach record volumes and are well positioned to leverage further demand growth.

Green ammonia

If global ammonia production switches to green feedstocks, green ammonia could reduce global GHG emissions by more than 1%, and would provide significant further decarbonization opportunities for multiple industries. Green ammonia has multiple carbon-free uses, including as fertilizer, fuel, chemical feedstock or source of energy storage.

In 2019, our Dutch fertilizer complex, OCI Nitrogen, became the first ammonia producer in Europe to add ISCC+ certified green ammonia produced from bio-methane to its portfolio. The GHG footprint is at least 50% lower compared to grey ammonia and can be decarbonized further depending on customer requirements.

There is a strong potential to ramp up decarbonization volumes as customers are expected to create a demand pull for such low carbon premium products. We supply AnQore, a longstanding strategic customer and one of our neighbours on the Dutch Chemelot site, with green ammonia through with AnQore produces acrylonitrile. We are growing our green ammonia presence as we develop relationships with additional industrial customers seeking to decarbonize their production processes.

Contribution to SDGs

OCI FULFILLS CUSTOMER DEMANDS TO REDUCE EMISSIONS IN THE VALUE CHAIN

Example industries and end markets

OCI growth opportunities

Sustainability push is a major catalyst for demand for OCI's decarbonized products

- Zero carbon ammonia and methanol as industrial feedstocks
- Zero carbon ammonia and methanol as shipping fuel
- Biofuels
- Low-carbon ammonia for use in consumer products
- Zero carbon ammonia feedstocks for fertilizer
- Controlled-release and stabilized fertilizers (inhibitors)
- Variable rate fertilizers

We increasingly see that markets realize the importance of Scope 3 emissions. In many cases, to significantly reduce embedded emissions in an end product, it is key that decarbonization starts at the beginning of a value chain, and then is carried onward throughout the chain.

OCI crucially sits at the beginning of a variety of value chains, and we are seeing a strong push from the broader market and our customers to decarbonize, which gives us the opportunity to intensify collaborations across the value chain.

By smartly sourcing non-fossil raw materials, or by introducing renewable sources in our production processes for ammonia and methanol, we can make a material impact on the carbon footprint of our customers. For instance, one of our longstanding customers, Wacker in Germany, uses our bio-methanol to produce fossil free silicones, which further decarbonize a variety of products.

In addition, with specific additives or bio-based coatings, we can also reduce the environmental impact during the use of fertilizers on farmland by our end customers. To that end, we can both decarbonize our own assets and products, and help our customers abate their emissions while using our products.

This will potentially reap significant multiple value chain emission reductions in the future. As such we are excited to increasingly expand and grow our green product offering to the market.

Natural gas

Green gas, biogas, H_2 by electrification or other

Downstream production at OCI and end customers

Fertilizer → Green fertilizer

Melamine → Green Melamine

Ammonia, ACN, Caprolactam, etc → Green Ammonia, ACN, Caprolactam, etc

Methanol, Formaldehyde, Acetic Acid → Green Methanol, Formaldehyde, Acetic Acid

Silicone, other → Green Silicone, other

End customer →

Wacker procures bio methanol from BioMCN to produce a fossil free silicone, BELSIL®eco & ELASTOSIL®eco, which further decarbonizes a variety of products

Contribution to SDGs

CASE STUDY

Decarbonizing AnQore's acrylonitrile value chain has begun with green ammonia production at OCI Nitrogen

Acrylonitrile is a product that is widely used in a broad range of applications.

With OCI's low carbon ammonia, combined with low carbon propylene sourced separately, AnQore decarbonizes acrylonitrile by 60%. In turn, AnQore is helping its wide range of customers to decarbonize important consumer goods and equipment suppliers to the wind power generation industry.

The relative cost price increase of decarbonizing a product throughout a value chain is often quite high for OCI. However, as the cost increase of a decarbonized component in an end-product is often minimal, it is promising that customers are increasingly aware of their environmental footprint and increasingly willing to spare a small premium for a more environmentally friendly product.

This helps the participants in a value chain cover their costs and investments involved in decarbonizing their products.

Scope 1 reduction of 50% over grey ammonia

-35%

Scope 3 reduction of 60% over grey Acrylonitrile[1]

-12%

Significant scope 3 reduction for OCI and AnQore

0.5-2%[2]

OCI produces **ISCC+ certified low carbon ammonia** made from biogas.

Strong potential to ramp up green ammonia volumes through expected customer demand pull.

AnQore produces **Econitrile**, the world's first ever sustainable and circular acrylonitrile produced from non-fossil ammonia and propylene feedstock in an existing acrylonitrile plant

Lower carbon end products

- Windmill blades
- Mobile phones
- Surgical gloves
- Mattresses and furniture
- Rubber products
- Automotive parts
- Carbon Fiber sports gear (e.g.: golf clubs)
- Small kitchen appliances
- Electrical connectors
- Protective headgear
- Medical equipment

% Relative price increase of low carbon ammonia in product

Contribution to SDGs

[1] AnQore sources a mix of renewable feedstock

[2] Cost price increase in end-consumer product (e.g. car, mobile phone)

CASE STUDY

Delivering decarbonization with green ammonia

If produced globally, green ammonia could reduce global GHG emissions by more than 1%

How green ammonia is made

Clean Energy

Solar power

Wind power

Water or biogas for hydrogen

Biogas

Water electrolysis

NH_3

H N H H

By using water electrolysis and renewable electricity, ammonia production can be made completely carbon-free.

What green ammonia can be used for

Fertilizer

Transportation

Fuel cell vehicle

Ammonia power plant

Refrigeration

Textiles and pharmaceuticals

Energy storage

Green ammonia has multiple carbon-free uses, including as a fertilizer, fuel, or source of energy storage.

Developing our green ammonia capabilities

Decarbonizing our ammonia production
We are evaluating green ammonia initiatives across our ammonia production portfolio.

6.9MT
Gross ammonia capacity

2.4MT
Merchant ammonia capacity

First in Europe
Our Dutch fertilizer complex successfully produced and sold green ammonia in 2019, the first ammonia producer in Europe to add ISCC+ certified green ammonia produced from bio-methane to its portfolio.

Contribution to SDGs

7 Affordable and clean energy

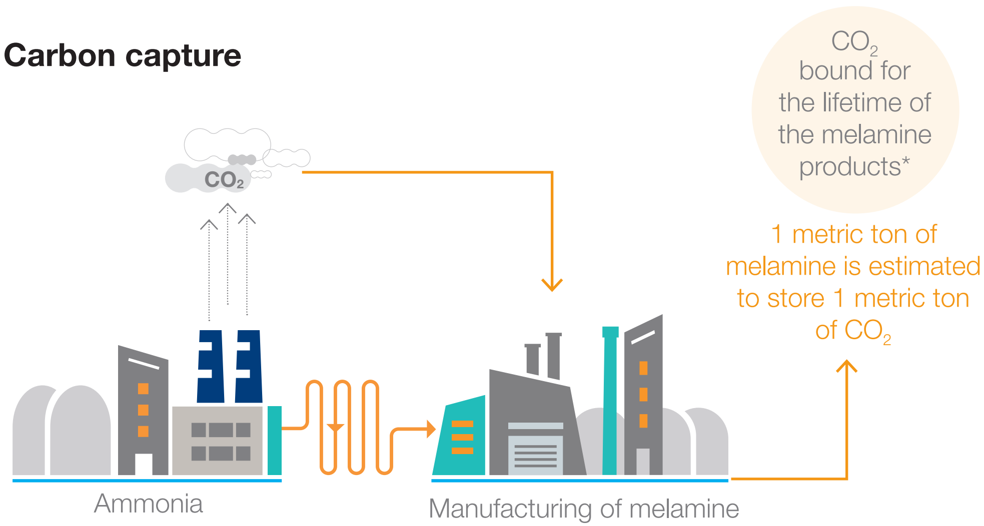
13 Climate action

CASE STUDY

Melamine contributes to carbon capture and the circulate economy

Melamine and its end products are excellent sources of carbon capture, as well as key contributors to the circular economy.

Carbon capture

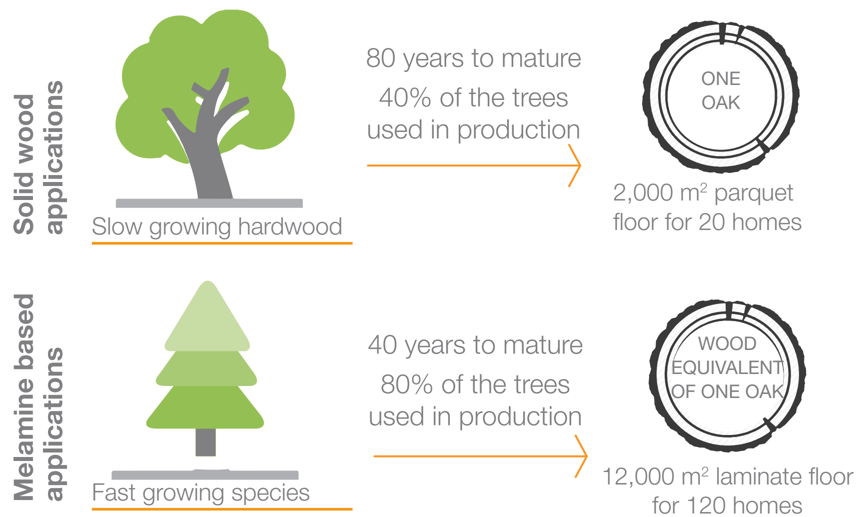


- CO_2 is used to produce melamine, with each ton of melamine produced capturing a ton of CO_2.
- Melamine is used in the production of various end products, so that carbon is stored for at least several decades throughout the entire life cycle until recycling.
- Since over 75% of all melamine is used in wood-based products, with wood itself already being a major carbon sink, today all melamine-based wood products are actively storing significant volumes of CO_2.

Contribution to SDGs

* Estimated lifetime 20 - 50 years

Waste reduction and the circular economy



- Melamine allows for more efficient use of wood by upgrading lower quality wood from faster growing trees, providing an alternative to solid wood and combatting deforestation
- Melamine's durability and its use to extend the lifetime of wood-based products contributes to waste reduction globally
- It also is used to make high value products from waste wood, contributing to the circular economy
- As a laminate on wood-based products and other surfaces, melamine extends the lifetime of these products and offers design optionality
- As a material to produce household items, melamine is safe and durable

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS

Developing more effective fertilizers

In addition to our work on farmer education on nutrient application best practices, we have invested in developing innovative products that improve crop yields while having a lower environmental impact.

Our conventional nitrogen fertilizer products provide optimal crop nutrition due to their quality, resulting in lower nitrogen loss and increased crop yields.

ISO 14040/14044 Life Cycle Assessment

As part of our ongoing assessment of the potential impact of our products on the environment, during the year we conducted a life cycle analysis (LCA) with external verification of our CAN and UAN in accordance with ISO 14040/14044 Life Cycle Assessment Standards. Based on these externally verified assessments conducted by SGS, our CAN's CO_2 footprint is amongst the lowest in the world. Compared to European peers as benchmarked by Fertilizers Europe, our CAN CO_2 footprint is approximately 33% lower than peers implementing best available emissions technology. Our UAN CO_2 footprint is similarly best-in-class as it is produced in the same downstream process of nitric acid as CAN.

ISCC+ Certified Green Ammonia

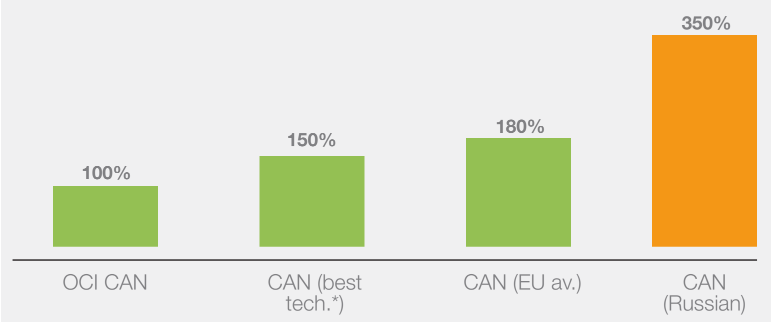
We are also the first ammonia producer in Europe to use bio-methane to produce and sell green ammonia. The sustainable product and mass balance system is ISCC+ certified and can be used to produce green downstream products.

Inhibitors and Controlled Release Fertilizers

Farming activities account for over 50% of GHG emissions in the nitrogen fertilizer value chain. In addition to the farmer education programs in place to improve fertilizer use efficiency, we are evaluating the introduction of urease and nitrification inhibitors as well as other controlled release coatings to our nitrogen fertilizers, which have the potential to reduce scope 3 N_2O emissions by at least 24%.

Decarbonizing through low-carbon product innovation

OCI CAN CO_2 production footprint is lowest in Europe



According to Fertilizers Europe Care for Growth benchmark.

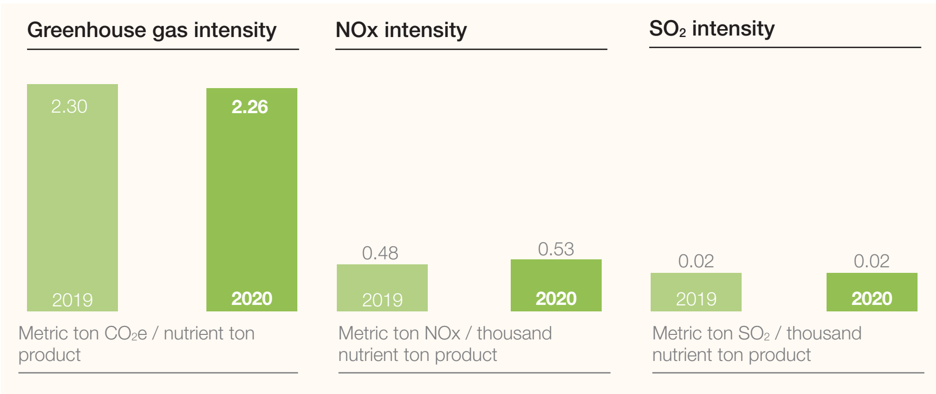
* Best available technology designed for production of CAN in EU

Contribution to SDGs

GHG EMISSIONS AND ENERGY USE

2020 energy and air emissions scorecard

	Unit	2019	2020
Energy (Ammonia)			
Energy consumption	TJ	213,399	212,297
Energy intensity	GJ / metric ton gross production	36.96	37.47
Energy (Consolidated)			
Energy consumption	TJ	290,955	300,142
Energy intensity	GJ / ton product	18.60	18.68
Emissions to Air*			
GHG emissions (Scope 1 – Direct)	million tons of CO_2e	9.23	9.12
GHG emissions (Scope 2)	million tons of CO_2e	0.60	0.64
GHG emissions (Scope 3 - CO_2 to Downstream)	million tons of CO_2e	4.79	5.11
Total GHG emissions	million tons of CO_2e	14.62	14.87
GHG intensity	ton CO_2e / N-ton	2.30	2.26
Scope 1 emissions covered under emissions limiting regulations	% (Scope 1 – Direct)	18.4%	16.4%
NOx	metric tons	3,037	3,485
N_2O	metric tons	131	150
SO_2	metric tons	135	163
VOCs	metric tons	55	46



Contribution to SDGs

9% Improvement in group energy intensity since 2016

31% Reduction in SO_2 emissions since 2017

2% Year-on-year improvement in Scope 1 GHG emissions intensity

46% Reduction in NOx emissions since 2017

90% N_2O emissions are 90% lower than global average for nitric acid plants**

47% Ammonia capacity under 10 years old versus 70% of industry over 20 years old

51% NOx emissions are 51% lower than global average for nitric acid plants**

52% Total capacity under 10 years old; youngest asset base compared to peers

* GHG emissions have been restated to EU ETS methodology, which includes CO_2 captured in downstream production processes as Scope 1 emissions, versus Scope 3 as per the GHG Protocol. 2019 emissions restated to include a full year of Fertil and 50% of Natgasoline. GHG Intensity has been restated on total ammonia and methanol production on a nutrient ton basis, with a correction to Scope 3 emissions resulting in a lower 2019 baseline intensity versus the reported intensity in the ESG Investor Day presentation.

** IFA 2019 global emissions benchmark

WATER AND WASTE – OUR APPROACH

RT-CH-140a.3

Water Management approach

As water is an essential but finite resource, we work diligently to maximize our water efficiency and are focused on reducing our water use wherever possible at all our sites.

We primarily use water in our production processes for cooling, steam generation, or in our downstream aqueous products.

Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for fresh water. Most of our water consumption is recycled several times in closed loop systems to reduce our intake of freshwater wherever possible and use non-potable water sources such as treated water from industrial sources and seawater to reduce our impact. We have made significant investments to reduce our use of freshwater wherever possible, and particularly at our sites in water stressed regions such as the Middle East and North Africa where we have installed desalination units to use seawater instead of freshwater.

Withdrawal and discharge

We closely monitor our water withdrawals and discharges at every facility and ensure any discharged water is treated to meet applicable environmental requirements and safely discharged. At several facilities, including those in Egypt and Iowa, we have invested in on-site pools to safely evaporate discharged water, or treat the collected water for irrigation. Some of our facilities benefit from interconnections with neighboring plants, allowing them to safely recycle water for use in other facilities' production processes.

We meet or exceed all water quality regulations and permits through our water management and treatment processes to ensure we do not impact local water sources. Water management - including water quality - is a key element of our overall HSE and resource use management systems and is monitored by the Board of Directors' HSE & Sustainability Committee.

We continuously review our water management processes, our water use, and evaluate ways in which we can improve our water stewardship at every facility.

Waste, effluents, and spills

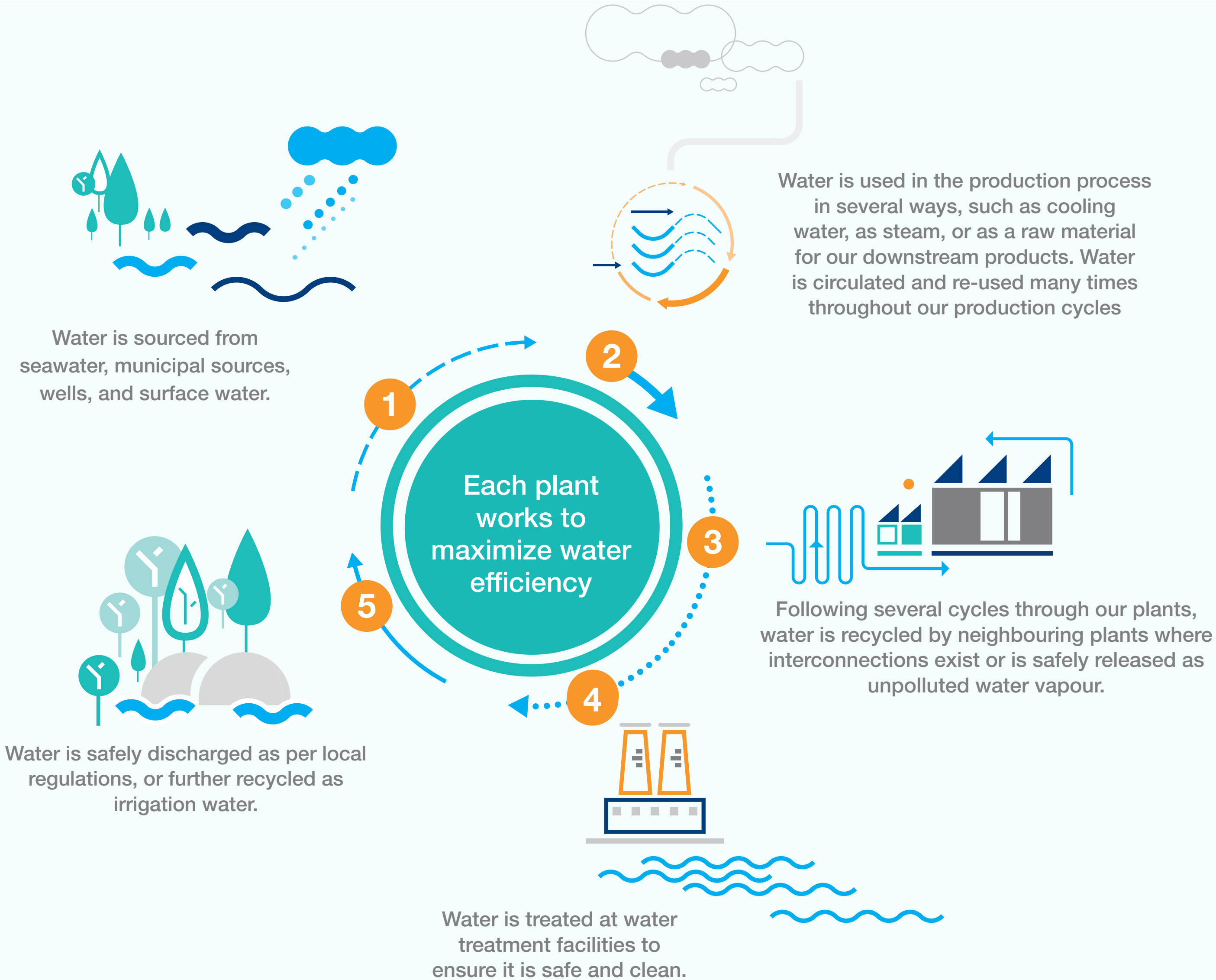
Our production processes for nitrogen and methanol products produce limited by-products and are not waste intensive. Our distribution processes are primarily bulk shipments with minimal packaging required. Almost all the waste we produce is non-hazardous and primarily result from maintenance activities. Each facility monitors and minimizes its hazardous and non-hazardous waste through active waste management programs. The primary source of hazardous waste is spent catalyst, which is disposed of safely as per local regulations. We minimize potential waste leakage, effluents, or spills through primary and secondary containment systems that are regularly inspected. All processes undergo regular reviews by our HSE teams to identify and implement waste reduction opportunities where possible.

In 2020, our facilities reported 37 environmental incidents (EI), representing an environmental incident rate (EIR) of 0.66. None of these incidents were classified as major and more than half related to a stringent waste-water iron content permit at IFCo, for which we successfully commissioned pipeline in 2021 to permanently resolve the issue. Excluding this repetitive permit exceedance, our EI's totaled 16 with an EIR of 0.29.

Contribution to SDGs

WATER AND WASTE – OUR APPROACH CONTINUED

RT-CH-140a.3



Contribution to SDGs

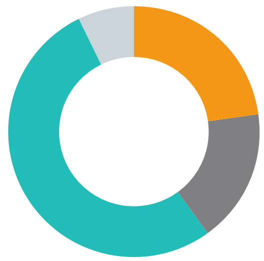
WATER AND WASTE – 2020 PERFORMANCE

2020 water and waste scorecard

	Unit	2019	2020
Effluents and waste			
Hazardous waste reused, recycled or recovered	Thousand metric tons	1.98	1.69
Hazardous waste treated or disposed of	Thousand metric tons	1.33	1.61
Non-hazardous waste reused, recycled or recovered	Thousand metric tons	2.17	2.22
Non-hazardous waste treated or disposed of	Thousand metric tons	30.57	44.33
Water*			
Total intake by source	Million cubic meters	**88.64**	**90.01**
Groundwater	Million cubic meters	14.84	15.43
Seawater	Million cubic meters	49.43	48.00
Surface water	Million cubic meters	20.72	20.69
Third party water	Million cubic meters	3.65	5.89
Total water discharge by destination	Million cubic meters	**52.13**	**47.35**
Groundwater	Million cubic meters	2.28	2.17
Seawater	Million cubic meters	41.17	37.88
Surface water	Million cubic meters	5.01	1.43
Third party water	Million cubic meters	3.67	5.87
Water Stress			
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%	72%	70%
Water consumed in regions with High or Extremely High Baseline Water Stress	%	59%	55%
Environmental incidents			
Environmental incidents	#	36	37
Environmental Incident Rate (EIR)	Per 200,000 hours worked	0.59	0.66

* Excludes seawater used for cooling at FERTIL in a 'once-through' system, where seawater intake volumes flow through heat exchangers and are safely discharged uncontaminated back to the sea.

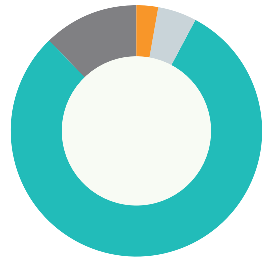
2020 water intake by source



Total water intake
90.01 million cubic meters

- Surface water 23%
- Groundwater 17%
- Seawater 53%
- Third party 7%

2020 water discharge by source



Total water intake
90.01 million cubic meters

- Surface water 3%
- Groundwater 5%
- Seawater 80%
- Third party 12%

47%
Water consumed, reused, or recycled

2.27
Million cubic meters of total water re-used or recycled

30%
Reduction in water consumption per ton year-on-year

72%
Water intake from seawater in high stressed regions

Contribution to SDGs

WATER AND WASTE – CASE STUDY

RT-CH-140a.3

Minimizing freshwater consumption in water stressed regions

Our Middle East and North African (MENA) operations work diligently to minimize their use of freshwater given the high stress on water resources in the region. We have invested in reverse osmosis and seawater desalination units on-site at all our MENA locations.

Our assets in Egypt source approximately 51% their water intake by using reverse osmosis units to desalinate non-potable water and our production facilities in Algeria and the UAE source 100% of their water intake from the sea.

Our goal is to become fully self-reliant on sustainable water sources and reduce our reliance on fresh water sources at all our MENA assets. Actions being taken to address water sustainability in Egypt include:

- Increasing our access to sustainable groundwater wells through local investments
- Investing in increasing capacity and efficiency of our on-site reverse osmosis units, treating and upgrading groundwater
- Investing in wastewater plants to re-use/re-cycle more water from the production process
- Continuing to make use of any water discharge to grow our land reclamation project

Zero effluent discharge

Both Fertil and EFC have implemented a novel solution to the large quantity of water produced as a by-product of the urea manufacturing process. The facilities invested in the construction of irrigation and evaporation ponds to avoid discharging effluents into the environment. EFC is the only plant in Egypt to do this, with three ponds capable of holding a total of 15,000 cubic meters of water. Fertil has two ponds capable of holding a total of 24,800 cubic meters of water.

Water recycling and reuse

During the year, EBIC implemented a wastewater treatment and re-use closed loop system for cooling water that reduces the plant's water intake by approximately 5%.

Land reclamation in the Egyptian desert

The water collected at EFC's irrigation ponds is used to irrigate 50 acres of forestry that was planted by EFC in the nearby desert, contributing to essential land reclamation in the Egyptian desert and creating an additional source of carbon sequestration. The 50 acres of forestry sequester an estimated 39 metric tons of carbon dioxide a year.

1.62
Million cubic meters of water re-used for irrigation in the Egyptian desert

50
Acres of land reclaimed in the Egyptian desert through our water recycling efforts

Contribution to SDGs

FEED THE WORLD

We are committed to working towards global food security. Through various programs, we work with our customers around the world to maximize yields, strengthen crops, prevent soil degradation, promote sustainable agricultural practices, and accelerate growth to meet the world's rising food demands. We also work to ensure our products are used in a way which safeguards health, occupational and public safety and security, biodiversity, and the environment.

The world continues to face a significant challenge in ensuring a sustainable supply of food for our burgeoning global population, which is expected to reach nearly 10 billion people by 2050. This is expected to require a doubling of food production levels, all while arable land per capita is projected to decline by 55% by 2050. With growing populations and declining resources, crop yield optimization is imperative to meet our global food needs, while also minimizing the environmental impact of agriculture and fertilizer use.

Fertilizer use is essential to maximize yields, minimize soil degradation, and sequester carbon dioxide

Nitrogen fertilizers are the key nutrient for crop growth and development. High quality soil maximizes farm yields and ensures healthy crops, which in turn naturally sequester carbon dioxide to help fight climate change.

Efficient farming through correct fertilizer application helps farmers maximize the use of existing farmland and reduces land sequestration. OCI's fertilizer products help achieve sustainable agriculture by providing an effective and environmentally sound source of nitrogen. By using nitrogen fertilizers effectively, farmers can:

- grow more food on their land,
- reduce soil nutrient loss and improve soil quality, and
- reduce the need for new farmland to be sequestered, which therefore reduces GHG emissions by limiting deforestation.

Without annual application of nitrogen fertilizers to replenish soil nutrients, soil health is eroded resulting in lower yields and biodiversity loss amongst many issues.

Promoting nutrient stewardship

Incorrect or inefficient fertilizer application can result in nitrogen release into the atmosphere as well as leaching or run-off into groundwater or surface water, which can negatively impact water quality and aquatic biodiversity.

We work with industry associations to educate farmers on fertilizer application, storage, provide digital resources, and to encourage sustainable farming. In the US, we support the 4R Nutrient Stewardship program through our membership in The Fertilizer Institute (TFI).

Other environmental impacts

Biodiversity

None of our production facilities are located near protected areas or areas of high biodiversity, and we are not required to maintain a biodiversity management plan for any of our sites. We comply with all relevant regulatory requirements and environmental policies when assessing new projects, which would include environmental and biodiversity impact assessments wherever relevant.

Nitrogen fertilizer use helps improve agricultural efficiency, which protects biodiversity by maximizing yields of existing farmland thereby reducing the need to sequester new land for farming.

Other emissions to air

We have installed the necessary equipment - such as de-NOx units, methanol removal units, and Selective Catalytic Reduction (SCR) units – at our facilities in line with our policy to implement Best Available Control Technology (BACT) to minimize our environmental impact. Accordingly, we emit minimal amounts of nitrous oxide (N2O), nitrogen oxides (NOx), sulfur oxides (SOx), particulates, and volatile organic compounds (VOCs), as reported on page 52.

Contribution to SDGs

FEED THE WORLD – CASE STUDY

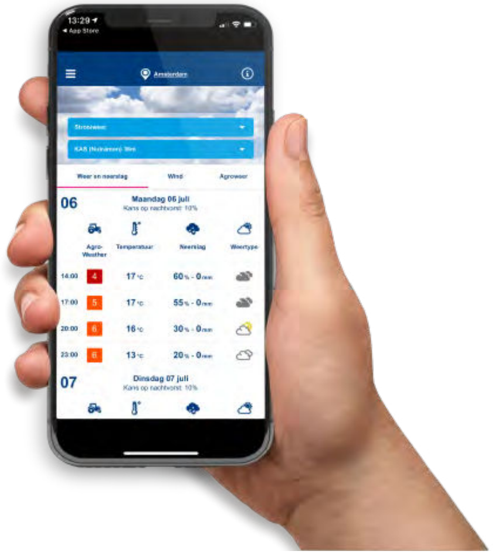
Digital Farming

While nitrogen fertilizers offer a sustainable means of maximizing yields, farmer education is essential to ensure nitrogen fertilizer application is optimized for both production and environmental protection. We work with farmers around the world through various initiatives to achieve this goal.

Our digital offerings include the Nutrinorm agronomy website, and two applications developed specifically for farmers:

- **OCI Agro Weather app** to optimize farmers' activity planning.
- **OCI Nutri-N app** for an optimal nutrition application.

Using these resources, our customers can ensure fertilizer quality is maintained through correct storage, blend products correctly, ensure spreading settings are correct to maximize even fertilization, calculate optimal fertilizer release, accurately track the weather, and receive 24/7 access to the support they need.



>112,000 USERS

Our digital resources reached over 112,000 users in 2020

Contribution to SDGs

Sustainability Report | Social

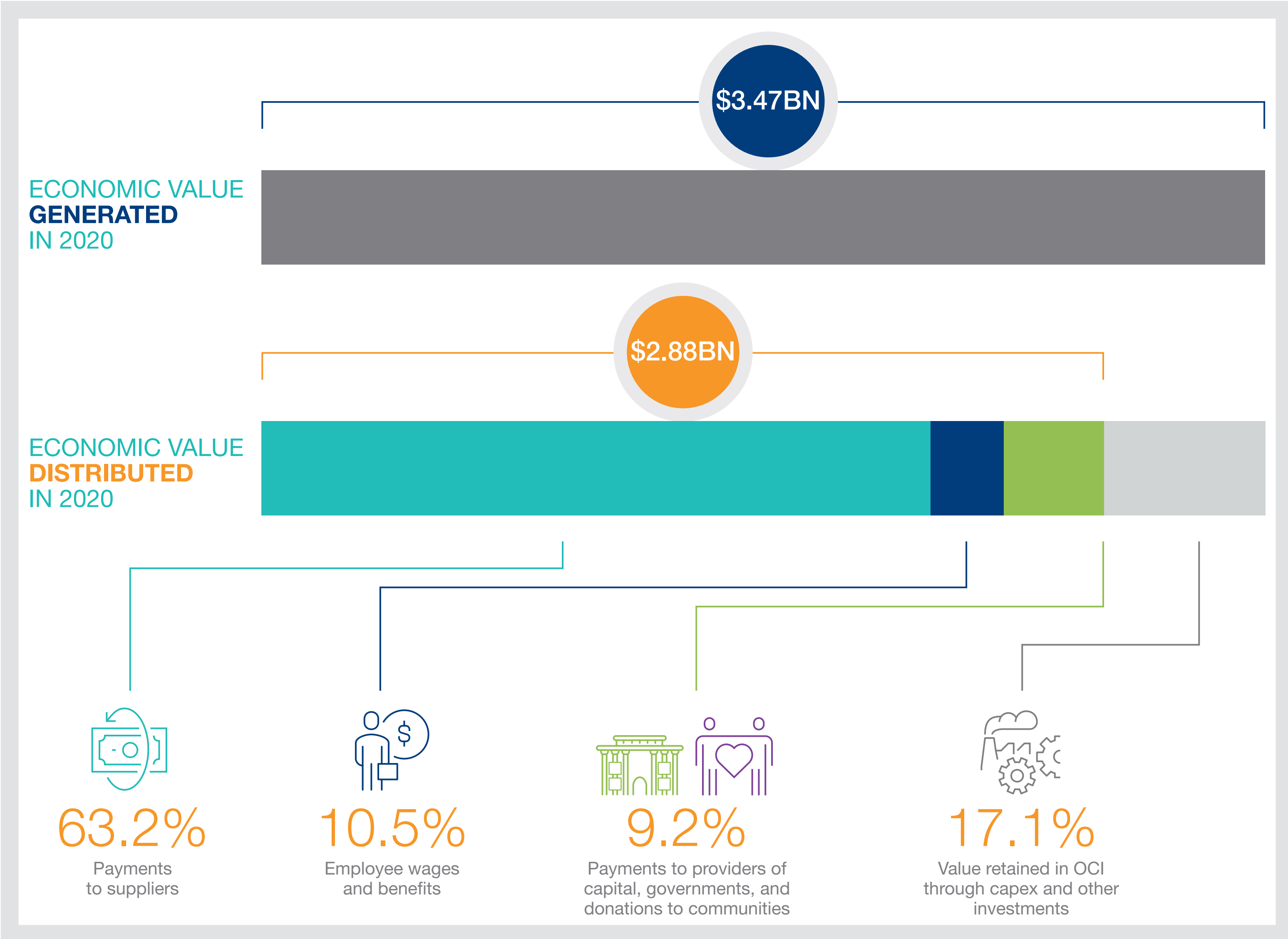
HOW WE CREATE VALUE FOR OUR COMMUNITIES

RT-CH-210a.1

Our operations directly and indirectly create significant economic opportunities for our communities in both developed and developing countries through payments for goods and services, job creation, improved farmer productivity, taxes, research and development, and donations to develop the communities in which we operate.

We have invested more than $5 billion in growth and improvement projects in under a decade, which has created thousands of ancillary businesses and job opportunities.

In 2020, we created $3.47 billion in value, of which 82.9% was redistributed. The balance was reinvested in OCI, primarily as capex.



Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES CONTINUED

A tailored approach to each community

As a local employer in each of our communities, we are proud to have strong stakeholder engagement programs in place that allow us to identify and participate in the social development causes that matter most locally. Accordingly, we have cultivated local social development programs tailored to the specific needs of each of our communities to maximize the impact of our donations. In addition to our sponsorships and financial contributions to various causes, our employees personally invest their time in our local communities by participating in fundraisers and volunteering at events.

EDUCATION

We endow time and resources into the entire education value chain, from donating school supplies to children in need and rewarding high achievers by funding university scholarships and providing on-site training opportunities.

Our local operations have worked hard to encourage students of all ages to pursue an education in fields of science, technology, engineering and mathematics (STEM) through various initiatives. We also participate in programs specifically designed to encourage girls to pursue STEM, such as Girlsday.

In 2020, despite the lack of in-person programs due to COVID-19 restrictions, 412 students and young professionals benefited from the training or education opportunities availed through the programs we participated in or sponsored in Europe, the United States, and North Africa.

SOCIAL CAUSES

Our plants pay close attention to the social causes that matter to each community to effectively participate in local development. Such causes include sponsoring or donating time to local sports teams, music and arts festivals, food banks, toy runs, youth programs, and animal rights causes.

In addition, we have strong ties to local healthcare initiatives that provide necessary physical, mental, and emotional support to our communities. Our plants work with trusted partners focusing on the issues that significantly impact their communities, including elderly care centers, cancer treatment and support, essential supplies for the underprivileged, and programs that encourage healthy living.

>12,100
Students reached since 2015

>330,000
Meals provided in South East Texas since 2015

>8,000
Vulnerable residents provided Christmas meals and gift hampers in London in 2020

>$45,000
Value of food and essential products donated to vulnerable community residents in 2020

Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES CONTINUED

RT-CH-210a.1

Our 2020 Outreach

In 2020, we continued to focus on investing on the social causes that matter to each of our communities. Our tailored approach allows us to create a meaningful and sustained impact through longstanding partnerships with charities and non-profits serving our communities, such as Southeastern Iowa Community College's Building the Dream program, the Girlsday science and technology program in Geleen, and the Southeast Texas Food Bank. Please refer to Our Stories for more examples of how we create value for our communities.

Serving our communities during the COVID-19 pandemic

- Throughout the first wave's PPE shortage, our facilities in the United States and the Netherlands regularly donated face masks, gloves, safety glasses, other PPE equipment, gift cards, and men's dress shift to be used as makeshift hospital gowns to local front line hospital staff.
- In October, IFCo ran a food drive encouraging employees to donate food and supplies to Lee County food pantries. As a result of IFCo employees' generosity, IFCo was able to donate $10,000 worth of food and supplies to help support the community.
- In December, OCI and its employees donated $22,000 to a collective of UK frontline charities working to provide Christmas hampers consisting of a full meal and gifts for vulnerable residents in the London borough of Kensington and Chelsea. 8,365 people were served through the campaign with 4,031 hampers delivered.

#Orangetheworld

In an act of solidarity, OCI Nitrogen turned its cooling tower orange on 25 November. OCI Nitrogen's cooling tower was one of many landmarks tinted orange around the world in support of the Orange the World initiative, a United Nations campaign fighting violence against women.

Orange symbolizes a brighter future, free of violence. Other participating landmarks included Times Square, Niagara Falls, and the Brandenburg Gate.

Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES – CASE STUDY

RT-CH-210a.1

Partnering with the Sawiris Foundation for Social Development

In 2020, we entered into a partnership with the Sawiris Foundation for Social Development (SFSD) to support vulnerable farmers and boost the agricultural sector in Egypt.

SAWIRIS FOUNDATION
FOR SOCIAL DEVELOPMENT

Empowering Egyptian farmers

We will work to ensure beneficiaries become self-sufficient and are able to earn a sustainable income through an education program focused on sustainable farming practices, with the aim of enhancing environmental protection, growing production, and increasing farmer profitability. The partnership's outreach program will complement an SFSD program that was launched specifically for agricultural development in Egypt.

About the Sawiris Foundation for Social Development

Established in 2001, the Sawiris Foundation for Social Development is one of the first national donor foundations in Egypt. SFSD focuses on funding and delivering sustainable development solutions to alleviate poverty and social and economic exclusion, as well as provide equitable educational opportunities for the most marginalized groups in Egypt, all in cooperation with civil society, and the private and governmental sectors. SFSD's four focus areas are:

HIGH-QUALITY EDUCATION

- Providing scholarships for distinguished Egyptian students
- Establishing specialized higher education institutions capable of meeting the urgent needs of society
- Supporting and financing education programs at all levels: from kindergarten through to higher education

SOCIAL EMPOWERMENT

- Improving access to health care services (e.g. fighting Hepatitis C, liver transplants, improved maternal and child health)
- Providing marginalized children protection and support
- Improving infrastructure of underprivileged villages and areas

ECONOMIC EMPOWERMENT

- Financing training programs that lead to employment
- Encouraging small and microenterprise development through providing capital financing in the form of grants and loans, along with technical and administrative support
- **Supporting and financing agricultural development programs**

Partnering with OCI

ENCOURAGING ARTISTIC AND CULTURAL CREATIVITY

- The Annual "Sawiris Cultural Award"
- Sawiris Scholarship for Arts and Culture

Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES – CASE STUDY CONTINUED

RT-CH-210a.1

SFSD in numbers | 2001-2020

ECONOMIC EMPOWERMENT SECTOR

+117,000
Beneficiaries

+344
EGP million in funding

SAWIRIS FOUNDATION
FOR SOCIAL DEVELOPMENT

Training for Employment Program

+54,000
Beneficiaries
trained and employed, with a total budget exceeding
EGP 206 m

Micro-Credit & Agricultural Development Program

+63,000
Beneficiaries
have received micro and small loans with a total budget exceeding
EGP 138 m

SOCIAL EMPOWERMENT SECTOR

+377,000
Beneficiaries

+569
EGP million in funding

Infrastructure Development & Children without Shelter Program

+48,000
Beneficiaries
received a range of integrated services including rehabilitation, education, shelter and healthcare with a total budget exceeding
EGP 255 m

Health-Care Program

+137,000
Beneficiaries
received healthcare services including Hepatitis testing and treatment operations with a total budget
EGP 212 m

Covid-19 Response

+192,000
Beneficiaries
served and supported in dealing with the ramifications of Covid-19 with a total budget
EGP 102 m

Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES – CASE STUDY CONTINUED

RT-CH-210a.1

SFSD in numbers | 2001-2020 Continued

EDUCATION AND SCHOLARSHIPS SECTOR

+60,000
Beneficiaries

+777
EGP million in funding

SAWIRIS FOUNDATION FOR SOCIAL DEVELOPMENT

Scholarships Program

1,113
International and local scholarships were awarded to outstanding **Egyptian students** with an estimated budget of

EGP 272 m

Basic, Vocational & Technical Education Programs

59,000
Beneficiaries
of these programs with an estimated budget of

EGP 505 m

PARTNERSHIP SECTOR

SFSD has

49 partners

executing development programs and initiatives with a total budget of

EGP 530 m

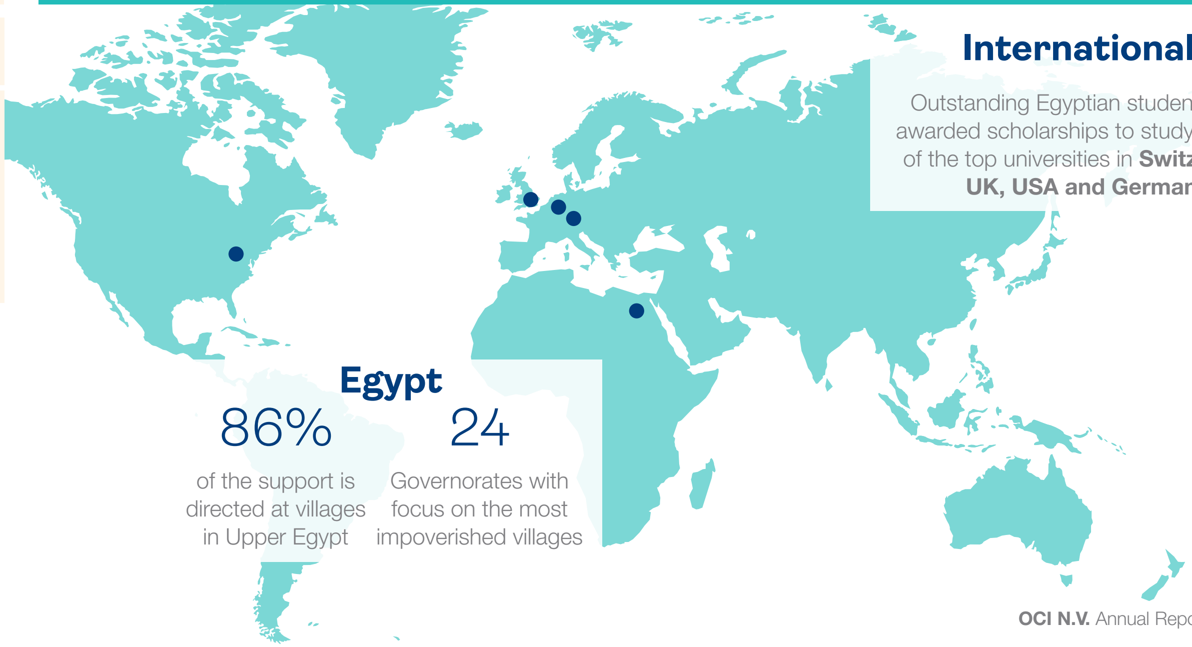
SAWIRIS CULTURAL AWARD

203

Egyptian writers and authors won awards with a total budget exceeding

EGP 22 m

GEOGRAPHICAL SCOPE



International

Outstanding Egyptian students were awarded scholarships to study at some of the top universities in **Switzerland, UK, USA and Germany**

Egypt

86%
of the support is directed at villages in Upper Egypt

24
Governorates with focus on the most impoverished villages

Contribution to SDGs

OUR EMPLOYEES

We promote a culture of CARE – collaboration, agility, resourcefulness, and excellence.

Our approach

Our people are fundamental to our success. We strive to create a safe and encouraging workplace where there is mutual trust and respect towards and amongst employees. We promote excellence in every aspect of our operations by investing in our people to foster their development and encourage their passion to excel.

A local employer, globally

We are proud to have cultivated a strong community focused identity as a local employer with 3,682 employees around the world. We have a commitment to maximize the use of local resources whenever possible by drawing local people into our company and developing their skills, and by choosing local partners where possible to supply materials and other services.

Living wage

We are mindful of the importance of ensuring that all employees are compensated and have crafted our local compensation frameworks using each country's living wage as the baseline. We believe that when an employee can afford their family's needs including discretionary income, they are more motivated to succeed. We consistently rank amongst the top quartile of employers by annual compensation in each of our communities.

In addition to top quartile compensation, we offer all employees, including part-time employees, a range of benefits, including but not limited to health insurance, retirement plans, parental leave, and other non-financial benefits in line with local employment laws.

Contribution to SDGs

Diversity and inclusion

Our employment strategy has resulted in a diverse global workforce encompassing 32 nationalities located in ten countries, with multiple ethnicities, religious beliefs, cultures, ages, and other traits working together respectfully and with a shared sense of purpose.

Our Code of Conduct requires all employees to act with honesty and integrity to foster a business environment that protects the rights and interests of all stakeholders. Our Code of Conduct also highlights our zero-tolerance policy for any form of harassment or bullying. Employees are required to treat all individuals with respect, tolerance, dignity, and without prejudice to create a mutually respectful, collaborative, and positive working environment. We do our utmost to provide employees with a safe environment to address any issue directly with management, and through our Whistleblowing Policy we also provide a confidential procedure to raise any concerns, instances of discrimination, and other breaches to our Code of Conduct.

We are committed to fostering an inclusive culture and have launched a group wide D&I program, which aims to ensure fairness, equality, and diversity in recruiting, compensating, motivating, retaining, and promoting employees. Though we operate in traditionally male dominated industries, we are working to improve our gender diversity in both technical and non-technical roles and at all levels of our organization. We have set internal benchmarks and targets to improve our recruitment processes, conduct de-biasing training, provide sponsorship and mentorship of minority employees, and develop employee networks that help them succeed. During the year, the majority of our workforce completed the de-biasing training, with the balance expected to complete the training in 2021. Despite limitations on hiring during the COVID-19 pandemic, we improved the ratio of female-to-male hires by 16% in 2020 versus 2019.

With an eye on the future of our industry, we also support Science, Technology, Engineering, and Mathematics (STEM) education programs in many of our local communities, with a focus on girls and minority students. At the Board level, we implemented a Board D&I policy in 2019 and have recently appointed a third woman to our Board who also has substantial ESG expertise, taking the percentage of female board members to 23% from 17%. Women as a percentage of total employees increased marginally to 10.51% in 2020 from 10.34% in 2019. Approximately 20% of leadership positions across the organization were held by women. We will continue to work towards increasing gender diversity while continuing to hire or promote based on merit.

Employee Engagement

We strive to encourage open dialogue across all levels of the organization, including with senior management. We launched the OneOCI platform in 2020 to provide employees with regular updates on a variety of corporate, operational, and industry matters, enhance communication across the group, create opportunities for employees to connect across countries and functions, and provide an additional means to reach senior management. We also conduct surveys at the group and local levels to gather feedback on various topics. We value the feedback from these engagement channels and are continuously making improvements to enhance all employees' experiences at OCI.

Talent development and retention

We are committed to fostering an environment that encourages individuals to seek opportunities for professional growth and enrichment. We recognize the importance of training and development of new employees, improving the performance of experienced employees, and building future leaders. We invest in our employees through training and development programs focused on professional growth and enrichment. Opportunities are tailored to the needs of each employee, and can include on-the-job practical training programs, sponsoring higher education, mentorships and leadership programs for succession planning, and online courses.

OUR EMPLOYEES CONTINUED

Succession planning

We have a succession planning process in place for critical roles across the organization, both at the corporate and the operating company levels. This is key to talent retention and development, and to mitigating potential human capital risks.

Unions and Works Councils

Our employees can join a union, works council, employee association, trade union, or similar labour organizations in line with local regulations. As such, approximately 46% of our total workforce is covered by Collective bargaining or unions. We strive to maintain productive relationships with the labour organizations representing our employees and engage with them regularly.

Human rights and working conditions

We are committed to respecting and promoting human rights and safe working conditions.

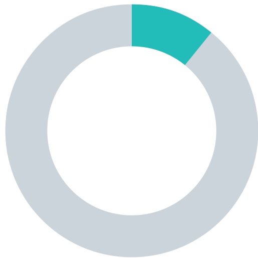
We conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. This expectation extends to our suppliers and business partners, who are required to conduct their business according to the principles included in our Business Partner Code of Conduct.

These principles are based on global human rights standards, including the International Bill of Human Rights, the International Labour Organization's declaration on Fundamental Principles and Rights at Work, and the United Nations International Children's Emergency Fund (UNICEF). Accordingly, our suppliers cannot use forced or child labor, or engage in slavery or human trafficking.

These principles also form part of our Human Rights Policy, which falls within our Compliance Framework and aims to ensure that salient human rights issues potentially arising through our supply chain are tackled effectively. We perform customary due diligence to ensure our suppliers and business partners are compliant and have an anonymous reporting hotline where employees can report suspected violations throughout our supply chain.

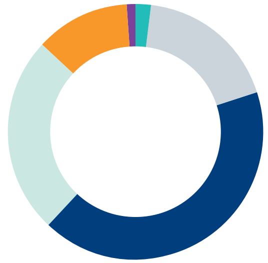
Contribution to SDGs

Gender



Location

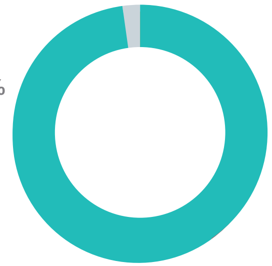
Age profile



New hires

Years of service

Contract type



Our employee engagement priorities

- Diversity: increase gender diversity and inclusion across the group
- Development: increase training and development opportunities for all employees
- Dedication: maintain our low voluntary turnover rates at under 3%
- Drive: provide employees with the resources they need to feel engaged, empowered, and driven to deliver

Our human rights policy principles

- No forced or child labor
- No harassment or discrimination
- Safe and healthy workplace
- Fair compensation and living wage
- Equal employment
- Freedom of association and collective bargaining

Links to policies

Code of Conduct

Diversity & Inclusion (D&I)

Board D&I

Whistleblower Policy

Human Rights Policy

OUR EMPLOYEES CONTINUED

Working at OCI	Unit	2019	2020
Employees*			
Total employees	#	3,715	3,682
Full-time	#	3,622	3,602
Part-time	#	93	80
Engagement and development			
Voluntary turnover rate	%	1.99%	2.20%
Employee absenteeism	%	2.97%	1.89%
Employees covered by Collective Bargaining or Unions	%	47.32%	46.14%
Average spending on training and development	$ / employee	1,442	218
Compliance & Governance			
Incident notifications	#	12	9
Incidents investigated	#	12	9
Substantial cases	#	0	0
Anonymous notifications via hotline	#	3	1
Cybersecurity training (various topics)**	# employees reached	1,938	1,921
Compliance training (various topics, incl. CoC, ABC, Debiasing, Data privacy, and others)*	# employees reached	973	2,002
Gender			
Women	%	10.34%	10.51%
Women in technical roles	%	1.10%	1.49%
Women non-technical roles	%	9.23%	9.02%
Women on the Board of Directors	%	16.67%	23.08%
Women in leadership positions	%	18.18%	20.24%
Age profile			
under 25	%	1.68%	1.90%
25-34	%	21.34%	18.12%
35-44	%	41.82%	42.07%
45-54	%	22.29%	25.07%
55-64	%	12.12%	11.92%
65+	%	0.76%	0.92%
Years of service			
0-5 years	%	27.26%	21.67%
6-10 years	%	25.29%	25.12%
11-20 years	%	36.85%	42.78%
21+ years	%	10.60%	10.43%

3,682
Direct employees in 2020

16%
Improvement in female-to-male hiring ratio in 2020

34%
Increase in female employees in technical roles

46%
Employees covered by collective bargaining or unions

2.2%
Voluntary turnover rates

32
Nationalities in our global workforce

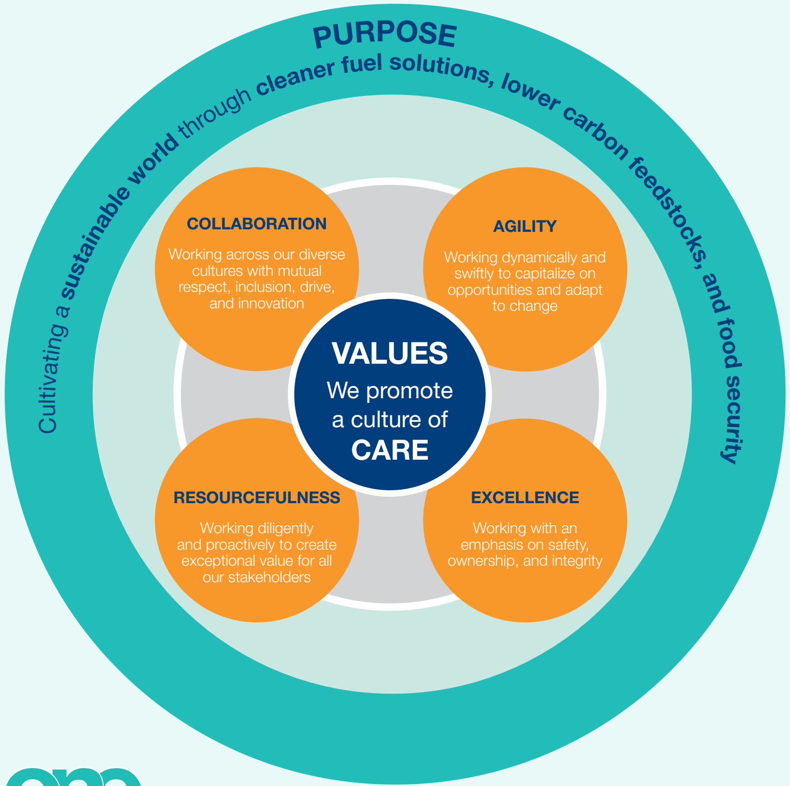
$93K
Average employee annual compensation

20%
Percentage of women in leadership positions

Contribution to SDGs

CASE STUDY

Promoting a culture of CARE through OneOCI



Collaboration

We work across our diverse cultures with **mutual respect**, **inclusion**, **drive**, and **innovation**

- We foster an inclusive culture in which diversity is recognized and valued
- We strive to be an employer of choice, where each person is proud to contribute their knowledge, skills, experience and perspectives
- We treat all individuals with respect, tolerance, dignity, and without prejudice to maintain a positive and encouraging workplace

Agility

We work **dynamically** and **swiftly** to capitalize on opportunities and adapt to change

- We maintain our competitive edge by quickly recognizing, accepting, and adapting to change
- We empower our people with the tools, resources, and autonomy to be innovative and creative
- We find smarter ways of working to increase productivity and improve profitability

Resourcefulness

We work **diligently** and **proactively** to create exceptional value for all our stakeholders

- We drive success by taking pride in everything we do to perform reliably, efficiently, and with unwavering integrity
- We are transparent in our business practices, and lead by example
- We are focused on delivering strong and sustainable financial growth

Excellence

We work with an emphasis on **safety, ownership,** and **integrity**

- We are focused on safety in every aspect of our organization with a goal of zero incidents
- We commit to being good stewards of the environment, as well as being a good neighbor
- We deliver quality products and exceptional services that our customers can rely on

HEALTH AND SAFETY

RT-CH-320a.2

Our approach focuses on the following HSE priorities:

1. Commitment to zero injuries
2. Focus on operational excellence
3. Continuous improvement of our processes
4. Health and wellness of all employees
5. Product stewardship & chemical safety

We believe that the health and safety of our employees is essential to the successful conduct and future growth of our business and are in the best interests of our stakeholders.

HSE policies and standards

Our HSE Policy is approved by the Board HSE & Sustainability Committee, which is also responsible for supervising the group's overall HSE performance. The HSE Policy provides our sites and employees with a clear set of standards and procedures based on industry standards and global best practices.

Each facility additionally implements tailored initiatives and supplemental procedures to enhance their HSE standards depending on their specific needs and technologies, which are reviewed and approved by the Corporate HSE team. Examples of locally tailored programs include:

IFCo's SafeStart program, a safety program that addresses unintentional human error and critical safety habits; thereby reducing risk and the probability of injury.

OCI Nitrogen's Project ViS, a coordinated cluster of activities aimed to deliver a safer facility through person, process, and environmental safety.

HSE performance monitoring

The Corporate HSE team reviews and monitors all facilities' site-specific programs and performance metrics, which are implemented, maintained, and reported by each facility's management team in compliance with the HSE Policy. The Corporate HSE team also assists the sites in implementing the OCI HSE policy when required and reports each site's performance to the HSE Committee on a quarterly basis. The HSE Committee sets groupwide and site-specific HSE targets annually.

The Executive Directors review each site's monthly HSE performance and trends with local site leadership during the monthly business review. In addition, HSE audits at each site periodically assess the implementation of OCI's HSE policy.

1. Commitment to zero injuries

Safety is a core focus in every aspect of our operations. Our goal is to achieve leadership in safety and occupational health standards across our operations by fostering a culture of zero injuries at all our production facilities, and continuously improving health, safety and environmental monitoring, prevention and reporting across our plants.

We have integrated this goal into our corporate values, and into the programs and policies of each of our production facilities. Safety is considered an integral part of plant operation, quality control, cost reduction and efficiency, and we are committed to providing resources to enable this.

Occupational safety

We achieved record occupational safety results in 2020, with a lost time injury rate of 0.09 and a total recordable injury rate (TRIR) of 0.23. These results are well below our internal targets and reflect a 44% improvement over 2019 despite a more difficult operating environment due to the strict COVID-19 safety precautions in place since March 2020. Most of the incidents were contractor-related, with six of our sites achieving zero own employee TRIs during the year.

We are proud of every employee's diligence and attention to safety, which has brought our TRIR down by 72% since 2014. We view the improved rates in 2020 to be indicative of the effectiveness of our safety incident learning and awareness program, and the regular refresher sessions we conduct for all employees as part of our training program.

We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors.

Emergency preparedness

Every facility has emergency preparedness plans in place with emergency response teams on-site. The emergency preparedness plans and response teams are tested and trained regularly. All sites also align closely with local police, fire, and other emergency response providers to ensure the best possible response protocols are implemented. Facilities located on shared industrial sites also coordinate closely with the industrial site facilities management teams.

During the year, more than 200 Emergency Response training sessions were conducted, and each site conducted Emergency Response drills and tabletop exercises as required by their local regulatory agencies.

> We are committed to providing a safe and healthy workplace for all employees. We implement the highest international safety standards to avoid any potential risks to people, communities, assets, or the environment.

HEALTH AND SAFETY CONTINUED

RT-CH-320a.2

2. Focus on operational excellence

We promote excellence in every aspect of our operations to ensure a safe and healthy work environment, protect our communities, and optimize operational costs. We continuously train all employees to implement the best sustainable practices and maintain our focus on operational excellence.

Process safety

We implement a process safety management (PSM) framework across our sites, which was developed based on international industry best practices and standards including the U.S. OSHA Process Safety Management regulations and AIChE Technology Alliance – Center for Chemical Process Safety (CCPS) information. Our PSM is further enhanced by case studies on industry incidents and lessons learned.

We track process safety incidents (PSI's) in three categories of severity and take all incidents very seriously. We achieved a PSI rate (PSIR) of 0.38 in 2020, well below our internal target of 0.8 but above our 2019 PSIR of 0.32. Most incidents were related to minor leaks or releases of substances as a result of an equipment failure or operator error, all of which were immediately contained with no further impact. No personal injuries were sustained in any of the PSIs and all PSI's are reviewed with a root-cause-analysis with lessons learned shared across all sites. We continue to work diligently to reduce the number of PSI's at all our sites every year.

Global management and quality assurance standards

Our assets hold global certifications recognizing the quality of our products and management processes, including ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, and OHSAS 18001 Occupational Health and Safety Management Systems. Other certifications include REACH, International Sustainability and Carbon Certification (ISCC), Fertilizers Europe Product Stewardship, and OCI Beaumont is an OSHA VPP Star Site.

Plant certifications

Plant	ISO 9001	ISO 14001	ISO 45001 / OHSAS 18001	REACH	Others
OCI Nitrogen	✔			✔	• Fertilizers Europe - Product Stewardship certificate • ISCC (International Sustainability and Carbon Certification) Green Ammonia
BioMCN	✔	✔		✔	• ISCC
OCI Beaumont	✔	✔			• OSHA VPP STAR • ISCC
EFC	✔	✔	✔	✔	• DEF added to ISO 9001
EBIC	✔	✔	✔	✔	
Fertil	✔	✔	✔		• ISO 50001 – Energy Management System • RC 14001 – Responsible Care Management System
Sorfert				✔	
IFCo					
Natgasoline					

3. Continuous improvement of our processes

We regularly assess our HSE management systems to ensure our processes enable operational excellence. We do so through internal and external HSE audits, insurance reviews, performance reviews, incident analysis, and groupwide knowledge sharing. We reward HSE excellence, encourage best practice sharing across our sites, and provide additional support wherever needed to ensure all sites meet or exceed our standards.

Groupwide knowledge sharing

We have set up several avenues to enhance and facilitate communication and knowledge sharing across our global HSE community. Examples include:

- Weekly publication of a one-page HSE awareness article called the Gazette addressing various HSE subjects on a general level.
- Monthly groupwide safety calls to share learnings of occupational and process safety incidents and to initiative companywide improvement initiatives.
- Quarterly groupwide environmental calls aligning on environmental improvements and regulatory affairs.
- Publication of a quarterly multi-page HSE Newsletter addressing specific HSE subjects in detail targeting HSE engineers.
- All sites generate one-page flyers of incidents and near misses that are shared, and lessons learned with fellow colleagues during the monthly Process Safety Sharing Incident Teleconferences
- Annual internal global OCI Process Safety conference, where various safety and risk assessment topics are discussed by our process safety experts from across our sites. The main topics in 2020 were new process safety KPIs, leak prevention rules, best practices sharing from the sites' Process Safety Management program, learning form sites' key safety incidents, and plant insurance inspections.

In addition, we reward excellent HSE performance through an annual awards ceremony called the OCI HSE Award, which is presented by the VP of Manufacturing.

HEALTH AND SAFETY CONTINUED

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RT-CH-410b.2
RT-CH-530a.1

4. Health and wellness of all employees

Occupational health and general well-being is part of our overall HSE management, and we implement wellness programs across the organization to ensure that everyone working at OCI remains healthy.

A Fitness for Duty Process is set up to ensure that each employee can safely perform the essential physical and mental requirements of the job. A Health Risk Assessment Process is in place to estimate the nature and probability of adverse health effects to people by identifying the adverse health effects that can be caused by any exposure to any hazardous agent or the work environment.

5. Product stewardship & chemical safety

Product stewardship ensures that our products and their raw materials, additives and intermediate products are processed and manufactured, handled, stored, distributed, and used in a way which safeguards health, occupational and public safety, the environment, and which ensures security.

Approach

Product stewardship and chemical safety is supervised by the Board HSE Committee and subject experts from each facility contribute to risks assessments and internal audits of the HSE impact of our product portfolio.

We use the best available technologies to minimize our carbon footprint and implement the Product Stewardship guidelines developed by Fertilizers Europe and International Fertilizer Association (IFA) throughout our production processes to monitor and minimize our environmental, health and safety impact from feedstock to farmer.

We comply with international standards as members of IFA, Fertilizers Europe, The Fertilizer Institute (TFI), the International Methanol Producers & Consumers Association (IMPCA), the European Melamine Producers Association (EMPA), the Ammonia Energy Association, and the Melamine REACH consortium, among others.

We are committed to our obligations regarding any environmental and health regulatory aspects of the chemicals we handle, and we closely monitor regulatory and safety developments for all our chemicals. Our products do not include ozone depleting substances, persistent organic pollutants (POPs), polyaromatic hydrocarbons (PAHs), or polychlorinated biphenyls (PCBs) and do not contain any chemical classified by REACH, or equivalent regulation, as substances of very high concern (SVHC). We strive to substitute any identified SVHC as raw material or intermediate where possible and if a product cannot be substituted, we comprehensively assess the risk potential of the substance by weighing the degree of HSE risk and regulatory restrictions or classification, technical and financial feasibility of developing a substitute, and stakeholder concerns, amongst other considerations. We fulfil our obligations by enforcing strict process and occupational safety and product handling measures to minimize risks of exposure to health and to the environment. We have identified five chemical substances of concern, which we monitor and manage carefully in line with regulatory processes and our HSE, product stewardship, and chemical compliance policies and procedures. We are also assessing alternative substances and regulatory actions for these chemicals.

In line with our commitment to leadership in product and HSE stewardship, during 2020 the Board formally ratified our policy to not produce, sell or trade solid ammonium nitrate (AN) given the product's public safety concerns. This also allows us to ensure that our business trajectory is in line with global insurance and directors' liability advice, which is increasingly stringent around AN. With ever-increasing concerns surrounding AN, the product could be substituted by much safer urea or other nitrates going forward.

Safe product handling

We publish Safety Data Sheets (SDS) on our website for all our products and substances. We monitor and evaluate the environmental, health and safety data continuously and update the information published in the SDS section of our website regularly. SDSs provide safe handling, storage, disposal, and personal protection equipment (PPE) information and disclosure on potential health and safety effects due to exposure or mishandling. All SDSs and product labels comply with applicable laws and regulations, including but not limited to REACH, US EPA, CEPA, and CLP. The safety data sheets are translated into several languages to make them more accessible for our global customers.

Stem cell technology, nanotechnology, genetic engineering, and other emerging technologies

We do not make use of stem cell technology, nanotechnology, genetic engineering, or any other emerging technologies.

Genetically Modified Organisms (GMOs) and neonicotinoids

We do not produce GMOs or neonicotinoids (pesticides), nor do we make use of the technology. Through our participation in farmer education programs, we promote the safe use of such products in our supply chain.

Animal testing

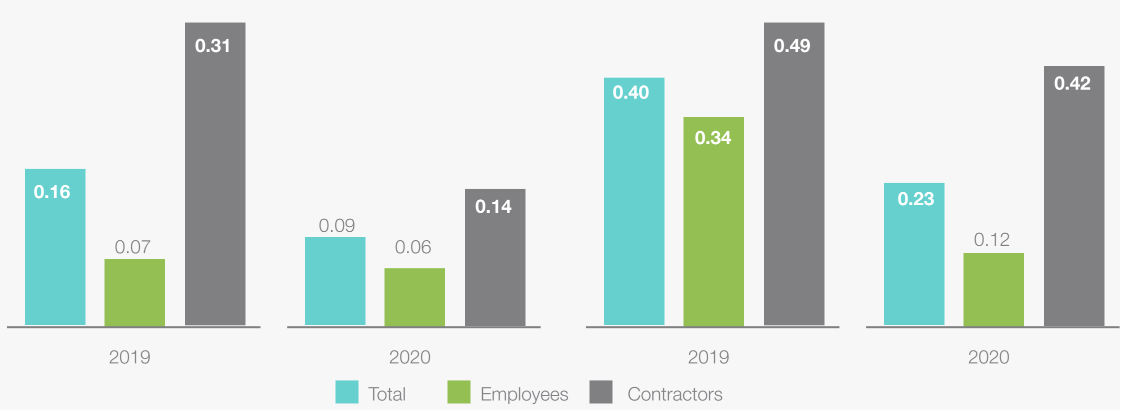
We do not conduct animal testing.

HEALTH AND SAFETY CONTINUED

2020 SAFETY SCORECARD

	Unit	2019	2020
Safety			
Lost Time Injury Rate - total	Per 200,000 hours worked	0.16	0.09
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.07	0.06
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.30	0.14
Total Recordable Injury Rate - total	Per 200,000 hours worked	0.40	0.23
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.34	0.12
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.49	0.42
Fatalities	#	0	0
Process Safety Incidents	#	17	21
Process Safety Total Incident Rate	Per 200,000 hours worked	0.32	0.38
Significant Process Safety Incidents	count	17	21
Major Process Safety Incidents	count	0	0
Significant Process Safety Total Incident Rate	cases per 200,000 hours worked	0.28	0.38
Major Process Safety Total Incident Rate	cases per 200,000 hours worked	0.00	0.00

Lost Time Injury Rate | **Total Recordable Injury Rate**



OCI Nitrogen receives the 2020 OCI NV Safety Award

2M

2 million man-hours worked without a lost-time injury zero LTI's

11.14

Million man hours worked

5

Sites achieved zero LTI's

6

Sites achieved zero employee TRIs

2

Smoking free sites

72%

Reduction in TRIR since 2014

44%

Reduction in LTIR since 2014

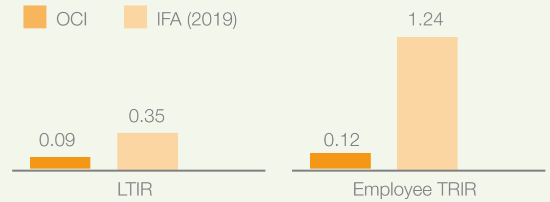
ZERO

OCI Beaumont achieved 0 TRIRs for the fifth consecutive year

1.89%

Occupational illness rate

Industry leading safety performance



HEALTH AND SAFETY – CASE STUDY

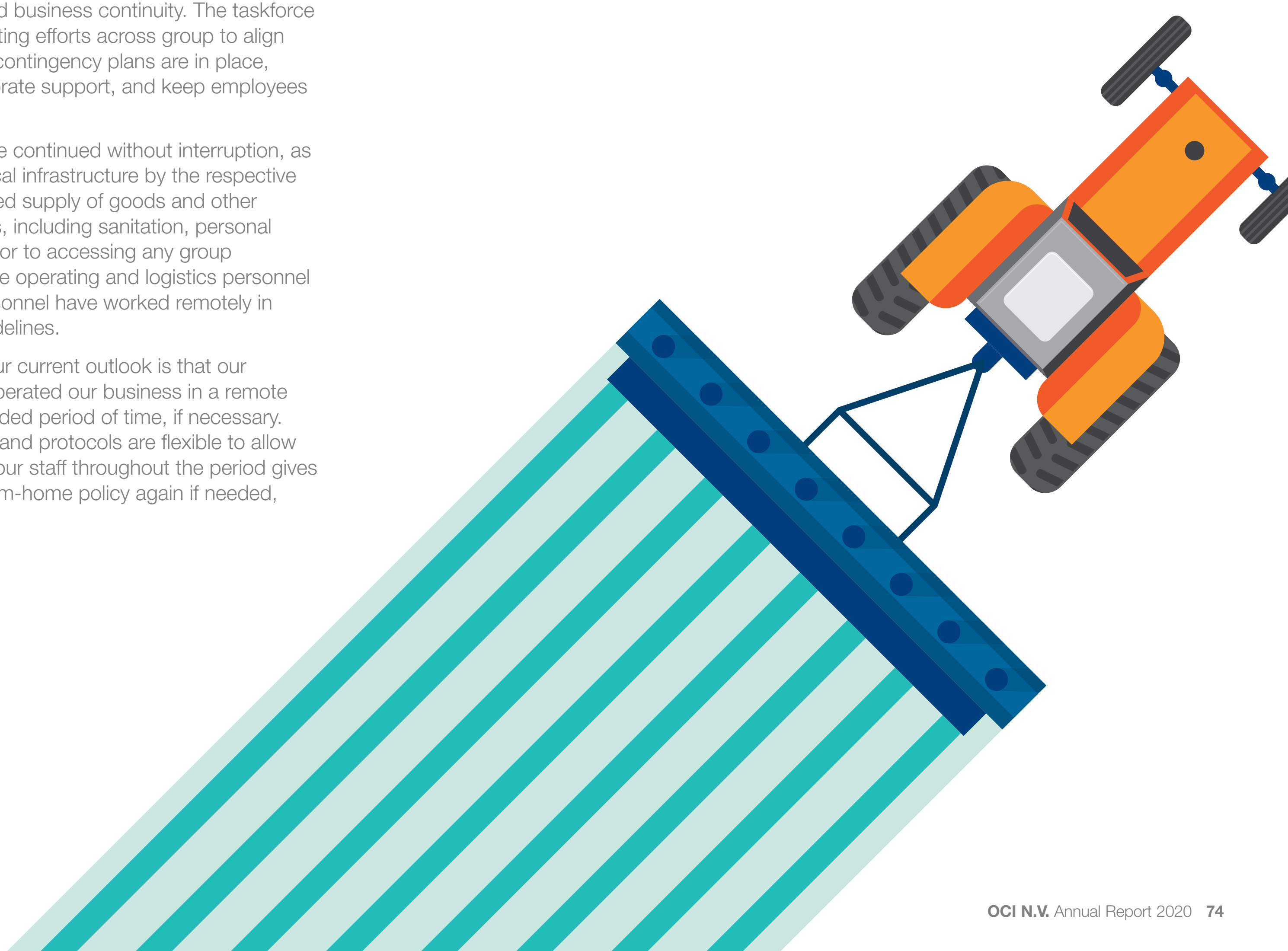
RT-CH-210a.1

Our response to the COVID-19 pandemic

In March 2020, we implemented our emergency response protocol and established a dedicated COVID-19 Taskforce to ensure the safety of our employees and business continuity. The taskforce is dedicated to closely monitoring developments and coordinating efforts across group to align plans and policies to appropriate response measures, ensure contingency plans are in place, conduct ongoing risk assessment and planning, provide corporate support, and keep employees updated with facts and company actions.

Since the onset of the pandemic, our business operations have continued without interruption, as our industries and our products have been designated as critical infrastructure by the respective governments of each of our markets to ensure the uninterrupted supply of goods and other essential products. We have applied strict protective measures, including sanitation, personal protection equipment, social distancing and thermal testing prior to accessing any group locations. As our plants are heavily automated, essential on-site operating and logistics personnel can be limited and administrative and operational support personnel have worked remotely in order to maintain social distancing following governmental guidelines.

Although the long-term effects of COVID-19 are still unclear, our current outlook is that our financial and operating performance remains solid. We have operated our business in a remote working environment and could continue to do so for an extended period of time, if necessary. Developments in each jurisdiction are being closely monitored and protocols are flexible to allow for rapid adjustments as needed. The impressive resilience of our staff throughout the period gives all local management teams confidence to revert to a work-from-home policy again if needed, without interruptions to our operations and supply chain.



Sustainability Report | Governance

OUR APPROACH TO SUSTAINABILITY GOVERNANCE

TCFD Governance (a) (b)
TCFD Risk Management (a) (c)

Our corporate governance structure is designed in compliance with the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code (Code), applicable securities laws, our articles of association, by-laws, and the rules and regulations of the Euronext in Amsterdam.

All governance policies and procedures are published on our website, and a full description of our corporate governance framework, Board composition, oversight and responsibilities, shareholders' rights, executive compensation and other governance topics can be found on in the Corporate Governance section beginning on page 89.

Our ERM framework is described on pages 78-86 and our approach to climate risk is described on page 37. Our Compliance framework, including our ethics and anti-corruption processes, is described on page 87.

ESG and Sustainability Governance

ESG and sustainability are imbedded into all aspects of our organization, including our strategic objectives, risk management, capital allocation and financial planning, operational and commercial activities, and other medium and long-term decision-making.

Dedicated Board oversight

The Board of Directors has overall responsibility for OCI's strategy, business objectives, and risk management, including ESG and sustainability. The Board Health, Safety and Environment (HSE) Committee evolved in 2021 to formally include sustainability and was renamed the HSE & Sustainability Committee. The Committee's responsibilities include overseeing our approach to managing the risks and opportunities related to sustainability, climate change, and our environmental impact. The Committee met four times in 2020 and its activities and areas of focus during the year are described on page 97. In addition to its oversight over health and safety topics, the Committee's specific sustainability and environment related activities during the year included:

- Oversight and supervision of the development of our long-term sustainability strategy, ESG targets, and decarbonization pathway;
- Oversight and review of our environmental and sustainability risk identification and management;
- Review of environmental performance, audits, and emergency preparedness plans;
- Review of the sustainability section of the annual report.

During 2020, Ms. Heike van de Kerkhof joined the Board as an independent non-executive director and is a member of the HSE Committee. Ms. van de Kerkhof brings a wealth of ESG and sustainability expertise to our Board.

Management of ESG

The Board has tasked the Executive Directors with the management of ESG and sustainability, including the development and implementation of our ESG targets and strategy, supported by the Group Corporate Affairs Director. Executive compensation is tied to ESG performance.

Each production facility's leadership team is responsible for identifying and evaluating sustainability projects and opportunities, and report on their progress to the Executive Directors during the site's monthly business review. The Capex Committee reviews and approves sustainability-related capex with a view to balance our sustainability goals with our other commitments and investment returns thresholds.

We appointed a Sustainability Director for Europe in 2020 to support our European assets with their decarbonization projects.

During the year, we engaged an external consultant to assess our scope 1, 2, and 3 GHG emissions to develop our decarbonization targets and strategy using 2019 as the base year as described on page 39-40. We also engaged an external consultant to support the development of our decarbonization strategy.

The Group Corporate Affairs Director and Investor Relations Director are responsible for internal and external communications, including reporting of our ESG and sustainability performance, strategy, and targets. This is closely aligned with financial and non-financial functions including our internal audit and risk functions, legal and public affairs, business planning, and operations.

Risk Management of Sustainability

We perform a comprehensive assessment of our climate change, environmental and sustainability risks and opportunities both at the operating company level and at the corporate level, assessing relevance at each level according to extent and likelihood of impact. We incorporate sustainability considerations into our assessment and management of all other risks relevant to the topic, such as operations, finance, and regulatory risks.

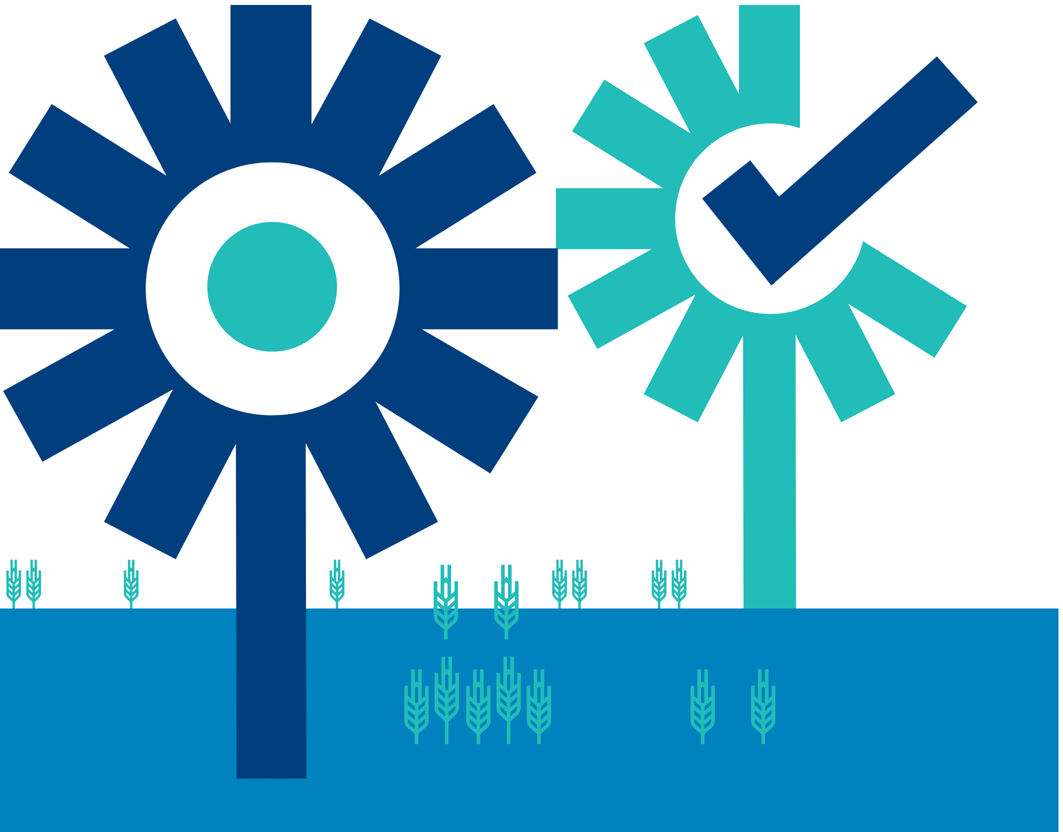
Risk Management and Compliance

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL

TCFD Risk Management (b) (c)

Our approach

Our businesses inherently involve risks. Our management is cognizant of these risks and takes a measured mitigation approach. Our Board and management foster a transparent company-wide approach to risk management and internal controls, driven by our conviction that risk management is most effective when it is aligned with our strategy, is integrated at all management levels, and is as dynamic as the industry and environments where we operate, allowing us to quickly act on value creation opportunities.



Enterprise risk management (ERM) framework

Risk management is a company-wide activity with roles and responsibilities allocated across all levels of the group to secure our in-control position. Equipped with updated insights from the market, industry, and geopolitics, we follow a bottom-up approach to ensure that all relevant business risks are identified, managed, and reported in a timely and comprehensive manner. The Internal Audit & Risk team is tasked with providing reasonable assurance to the Board of Directors and to the Audit Committee that this risk management approach is adequate.

The Board has the overall responsibility of maintaining a sound and effective risk management and internal control program. The Audit Committee supports the Board in monitoring our risk exposure, including the design and effectiveness of our internal control program. While every OCI employee is responsible for managing risk within his or her own area of activity, the Executive Directors – and particularly the CFO - own the Group-wide risk landscape and leads the effort in mitigating all types of risks.

The internal Audit & Risk team assists the Audit Committee, Executive management, and local management by facilitating the identification of risks and the promotion of risk awareness and ownership across our organization. The team is centrally managed at the group level and operates across the operating companies. This ensures our Internal Control Framework (ICF) is properly institutionalized and applied, that we have effective and up-to-date internal control and internal audit systems in place, and that we are aligned with our external auditors.

Each quarter, executive management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial and compliance risks with the involvement of key stakeholders.

Our ICF is aligned with the Enterprise Risk Management Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Dutch Corporate Governance Code. It is designed to provide reasonable assurance that the risks we face are properly evaluated and mitigated, and that management is provided with all information necessary to make informed decisions. Our Internal Audit function is certified by the Institute of Internal Auditors (IIA).

OCI actively assesses the impact of climate-related, sustainability, and environmental risks as described on pages 36-38. We also consider SASB Chemicals Sustainability Accounting Standards along with TCFD recommendations when assessing our climate-related risks, as described on pages 31 and 37.

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL CONTINUED

TCFD Risk Management (c)

Our ERM and ICF systems are designed to proactively identify, monitor, mitigate, and manage risks:

Entity	OPERATING COMPANIES	CORPORATE MANAGEMENT	INTERNAL AUDIT & RISK	BOARD OVERSIGHT
Key responsibilities	• First line of defense responsibility for the establishment of an effective control environment based on corporate directives and policies • Operational management reporting, risk assessment and mitigation • Internal controls implementation and self-assessment	• Risk reporting, assessment, and mitigation • Compliance Framework • Identification of and capitalization on key opportunities • Assessment of key market, financial, regulatory, and technological developments against strategy execution	• Independent and objective assurance about the effectiveness of governance, risk management, compliance, and internal controls	• Defines risk appetite and oversees risk management • Delegates responsibility to the Executive Directors and provides resources to achieve the objectives of the organization • Oversees an independent IA function
Review and reporting processes	• Weekly business updates to Corporate office functions • Detailed monthly review of performance, financials, operating issues, and key risks • Semi-annual risk self-assessments and quarterly updates of their business risk profiles and report to relevant Corporate functions and executive directors • Local Internal Control Officer is responsible for supporting local management on the effective implementation of internal controls and the compliance framework • Detailed annual budgeting with monthly updates allowing management to make real-time assessments • Local management signs the Non-Financial Letter of Representation to annually certify the in-control position in relation to the Code of Conduct, Corporate policies, and other non-financial requirements • Operational, health, safety, environmental, quality, security and emergency preparedness systems are in place at each subsidiary	• Consolidated budget and forecasts are used by management to evaluate KPIs, investment strategy, and operations • Each quarter, Corporate management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial, sustainability, and compliance risks with the involvement of key executives and corporate function heads • Internal Audit & Risk facilitates and supervises the risk management process, compliance with OCI's policies and controls, and proactively advises on further optimization of the internal control system • Additional control leadership from other corporate functions including Corporate Technical and HSE, Compliance, Internal Control, Legal, Tax, Strategic Planning, and Group Controller	• Quarterly reporting by the Internal Audit & Risk department to the Audit Committee of the results from internal audits, status of internal controls implementations, OpCo risk assessments and Group consolidated risk dashboard, highlighting effectiveness of actions taken to mitigate the risks, risk trends and the status of risks and issues • Internal Audit & Risk performs periodic independent internal audits of operating and holding companies. Management is consulted on performance developments and gaps and remediation plans • Internal Audit & Risk maintains a central repository for the monitoring of mitigating actions and trends in relation to each risk, and aides the Board in maintaining objectivity in its risk assessments • The progress of audit action plans is monitored by the Internal Audit & Risk department, local internal control officers and by local as well as Corporate senior management	• Board of Directors is given a full financial and operational update by the Executive Directors at each Board meeting • Audit Committee (on behalf of the Board) monitors and reviews the internal control and risk management system and provides guidance or investigates specific topics as needed • The Board oversees the performance of both the Internal Audit & Risk team and the external auditor, and receives regular updates and reports from both functions

RISK MANAGEMENT

Our key business risks with management's assessment of each risk's potential development

Our risk appetite is flexible to account for our diversified market presence and product portfolio and is tailored to four main categories. These categories tie into our strategic priorities and aim to support our ability to mitigate against risks and protect OCI's ability to create long-term value.

STRATEGIC

Description
Risks that may impede our ability to achieve strategic objectives that we believe are critical to our performance and growth. These are risks that are considered strategic matters for the Board and Executive Directors, and may impact the company as a whole.

Risk appetite
As a leading player in our markets, we are able to take certain calculated strategic risks that create opportunities to maximize our ability to deliver outstanding value to our stakeholders. We take a measured approach to strategic risk management with clear thresholds set by our Board for required investment returns, market risk appetite, growth capital expenditures, and corporate actions.

OPERATIONAL

Description
Risks that may impede our ability to achieve operational objectives and performance. These risks can be internal or external, and are typically directly managed and monitored by the local management teams of each operating company and supervised by our Executive Directors.

Risk appetite
We aim to minimize operational risks while maximizing our ability to capitalize on our leadership positions in our markets. We strive to maximize operational excellence at all facilities while fostering a 'safety first' culture across the organization with a zero-tolerance approach to HSE risks.

FINANCIAL

Description
Risks related to financial, accounting, and reporting controls and processes that may impede our ability to meet financial commitments, obligations, and daily operating needs.

Risk appetite
We implement a financial strategy to maintain an efficient balance sheet whilst securing good access to financing with a view to deleverage to 2x net debt through the cycle while balancing our capital expenditure needs. Our risk appetite and key policies are described throughout the annual report.

REGULATORY

Description
Risks related to non-compliance with or changes in laws and regulations, including HSE, tax, and financial reporting, and other legislation that may require changes in the way we do business.

Risk appetite
We comply with applicable laws and regulations everywhere we do business. All employees are bound by our Compliance Framework, which we are continuously embedding throughout our organization. It is in our core values to act with honesty, integrity and fairness to foster a business climate that maintains such standards.

RISK MANAGEMENT
Strategic Risks

ASSOCIATED STRATEGIC PRIORITIES

Commercial Strategy	Business Optimization

Risk	Risk Rating	Description	Risk management approach
POLITICAL RISK, RISK OF UNILATERAL SOVEREIGN ACTIONS, AND MACROECONOMIC CHANGES	Risk stable	OCI does business in both developed and emerging markets, which means that we are exposed to some countries where there is a risk of political or socioeconomic instability, including the risk of adverse sovereign actions. Accordingly, developments in any of the countries in which we operate can create an uncertain environment for investment and business activity and may adversely impact our business. This includes certain partnerships and joint ventures that involve various economic, operational, and legal risks that are different from the risks involved in owning facilities and operations independently.	We mitigate the impact of potential risks in any single market by diversifying our presence, both in terms of sales destinations and the geographic locations of our production facilities, which are in emerging and developed markets. Our run-rate production capacity of 16.2 million metric tons is evenly split geographically, with 35% in the USA, 24% in Europe, and 41% in the Middle East and North Africa. In addition, we sell our products around the world, reaching 63 countries in 2020. We actively monitor economic, political, and regulatory developments and maintain positive relationships with various governmental bodies in the countries where we operate as part of our effort to be a 'local' player in each of our markets and have strategically partnered with sovereign-backed entities. Our legal team also works diligently to monitor and review our practices and any changes in laws or regulations in the countries where we operate to provide reasonable assurances that we remain in line with all relevant laws. Management has also drafted contingency plans for various unforeseen events and adverse scenarios.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Strategic Risks continued

ASSOCIATED STRATEGIC PRIORITIES	
Sustainability	Operational Excellence

Risk	Risk Rating	Description	Risk management approach
CLIMATE, ADVERSE WEATHER CONDITIONS, AND NATURAL DISASTERS	Risk increasing	Climate change and adverse weather conditions can negatively impact field work and fertilizer application seasons, which may affect the demand for our products. Climate change also poses a global transition risk which may result in changes to market dynamics, legislation, and technology. Please refer to page 37 for a description of the risks and opportunities presented by climate change. Adverse weather conditions and natural disasters such as hurricanes, health epidemics or pandemics (including the current COVID-19 outbreak), and other extraordinary events could result in property damage, loss of life, production interruptions, and supply chain disruptions.	We have a balanced product split with no single product representing more than approximately 34% of our capacity. Our products have inherently different industrial dynamics, including different supply/demand drivers, seasonal cycles, customers, competitors, and other factors that may affect prices and demand patterns. This mitigates the risk of the impact of an individual product's fluctuations and results in a more stable revenue stream. We are also geographically diversified, reducing the risk of local or regional weather events. Please refer to pages 39-40 for a description of how we intend to reduce our environmental impact and contribute to achieving the decarbonization goals set by the Paris Agreement. In terms of natural disasters and pandemics, we have comprehensive emergency preparedness systems in place that allow us to quickly react to extraordinary events, and our assets have business interruption insurance policies in place that cover natural disasters. For a description of how we are managing COVID-19, please refer to page 74.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Operational Risks

ASSOCIATED STRATEGIC PRIORITIES	
Commercial Strategy	Operational Excellence

Risk	Risk Rating	Description	Risk management approach
CHANGES TO CONDITIONS AFFECTING OUR MARKETS AND COMMODITIES	Risk decreasing (green)	Our products are global commodities with little or no product differentiation, and supply-demand dynamics can be affected by global trends such as dietary patterns and population growth affecting demand for food, swings in crop and agricultural prices, global production capacity for our products, and the availability and pricing of the raw materials required to produce our products – particularly natural gas.	Our diversified product mix is exposed to a variety of cyclical and seasonal patterns which mitigates the impact of an individual product's fluctuations and results in a more stable revenue stream. We continuously evaluate our price exposure and have hedged our feedstock positions where appropriate based on our risk appetite and our understanding of market factors. We also occupy a leading market position in many of our products. We have policies in place to respond to competitive factors and maintain mutually beneficial relationships with our key customers to effectively compete and achieve our business plans. We have global sales, marketing, distribution, and logistics teams that work diligently to expand our sales channels, develop new and repeat customer relationships, negotiate favorable contracts, and create market contacts by attending various industry and trade conferences. In 2020, we further strengthened our competitive position with the integration of Fertiglobe, which contributes 2.1 million tons to our product portfolio, and provides enhanced logistical agility to better serve our customers. Our production and manufacturing teams also work diligently to ensure our plants operate efficiently to produce high quality products that meet or exceed international standards. Our products and processes are certified by global quality control institutions. In terms of the availability and cost of our key feedstock – natural gas – we have hedged our global exposure to natural gas price fluctuations through a mix of long-term contracts in the United Arab Emirates, Egypt and Algeria, and spot prices in the United States and the Netherlands, where we also take calculated hedge positions. We continuously identify, implement, and sustain cost improvement plans, including our outsourcing projects and those related to general overhead and workforce rationalization.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT

Operational Risks continued

ASSOCIATED STRATEGIC PRIORITIES

Maximizing free cash flow | **Operational Excellence**

Risk	Risk Rating	Description	Risk management approach
BUSINESS INTERRUPTION AND PRODUCTION	Risk decreasing	Our production facilities may experience unplanned shutdowns or utilization rate reductions, which may result in lost volumes and unplanned costs.	We have consistently invested in best-in-class technologies at all our facilities, which maximizes reliability and efficiency. Our facilities are on average the youngest in the industry with approximately 56% of our production capacity under ten years old, which supports above average utilization rates and low maintenance costs. We have also invested heavily in our older facilities to refurbish, debottleneck, and improve efficiency and reliability. We have a well-developed preventative maintenance system, including scheduled maintenance turnarounds, frequent follow ups on action items from previous shutdowns, and regular knowledge- sharing amongst all sites including comprehensive training programs for our plant employees. We maintain adequate spare parts positions and winterization procedures (where appropriate) as well as reliability initiatives where required. Our plants have Business Continuity plans to respond to adverse events, and for large and extended shutdowns, our plants have business interruption insurance.
HUMAN CAPITAL	Risk stable	We may face risks to our ability to employ, develop, and retain talented employees is essential to maintain our high-quality operations and management.	We have been able to attract, motivate and retain knowledgeable and experienced employees thanks to our reputation and market position, our in-house training and talent development programs, our Employee Incentive Plans (as described in note 21 of the financial statements), as well as our strategic partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies. We have instituted employee succession program for key positions across the group to ensure effective knowledge transfer in support of the continuity of our business operations.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Financial Risks

ASSOCIATED STRATEGIC PRIORITIES	
Maximizing free cash flow	Business Optimization

Risk	Risk Rating	Description	Risk management approach
CAPITAL STRUCTURE, ALLOCATION, AND CURRENCY FLUCTUATIONS	Risk decreasing	Our ability to deploy and raise capital effectively can impact our ability to achieve our strategic priorities or capitalize on business opportunities. Although we strive to ensure that adequate levels of working capital and liquidity are maintained, unfavorable financial market conditions may adversely affect our financing costs, hinder our ability to achieve additional financing, and/or hinder our ability to refinance existing debt. This could therefore have an adverse impact on our business prospects, earnings and/or our financial position. In addition, a substantial portion of our consolidated revenue, operating expenses and long-term debt is denominated in foreign currencies. Significant changes in the exchange rates of certain operational currencies, such as the US Dollar, the Euro, and the Algerian Dinar, can have a material effect on our financial performance.	We have a robust capital allocation strategy that aligns to our strategic priorities, with the governance and decision-making measures in place to balance opportunities and risks. We strive to maintain a strong financial position and creditworthiness with our creditors. We closely monitor our cash position and credit lines to ensure our financial flexibility. We have also diversified our funding sources to avoid dependence on a single market, staggered our debt maturity profile to reduce repayment burdens and have implemented other working capital improvement programs. OCI has robust in-house financing expertise and a proven track record in both refinancing debt and accessing new funding. We hedge our foreign exchange cash flow risk on a consolidated basis by matching our foreign currency- denominated liabilities with continuing sources of foreign currencies.
CYBERSECURITY	Risk increasing	Despite our IT security measures, our information technology and infrastructure may be vulnerable to cyber-attacks or breaches. Any such breach could result in business disruption or compromise our systems and result in downtime or leak of personal and/or business sensitive data adversely affecting our reputation.	We continuously implement up-to-date security procedures and measures to strengthen our security posture and minimize our vulnerabilities to cyber-attacks. We believe these measures and procedures are appropriate. Our IT team is focused on the monitoring and enhancement of our IT security capabilities across the group for both our IT infrastructures and plant process control systems. In addition, we invest in internal resources and engage with external security experts to support the implementation of various action plans that are part of our comprehensive cyber security management system. Throughout the year, we run several internal and external security assessments across the group to ensure that our risk levels are appropriate. We also maintain a group wide cyber insurance program as last line of defense in case of adverse incidents. Additionally, we regularly run IT audits and security assessments to ensure the continuous effectiveness of our security measures.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Regulatory Risks

ASSOCIATED STRATEGIC PRIORITIES

Sustainability | Operational Excellence

Risk	Risk Rating	Description	Risk management approach
CHANGES IN REGULATORY CONDITIONS IN THE MARKETS IN WHICH WE OPERATE	Risk increasing	Changes in laws, regulations and the related interpretations may alter the environment in which we do business. This includes changes in health and safety, competition and product-related laws and regulations, as well as changes in accounting standards and taxation requirements. This also includes the impact of proposed climate change related regulations at both the international and national levels, such as the EU's proposed carbon dioxide reduction targets, and more intensified or burdensome tax regulation and tax controversy challenges to curb budget shortfalls resulting from the negative economic impact of the COVID-19 pandemic. Failure to comply with these laws may result in substantial fines, penalties, or other sanctions such as the obligation to invest in newer equipment, permit revocations or facility shutdowns. Consequently, we may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt our operations. In addition, global geopolitics have created uncertainty around tariff implementation in key markets (particularly in the US, EU, and China), which may affect product or feedstock pricing. Our ability to manage regulatory, tax and legal matters and to resolve pending matters within current estimates may impact our results.	We actively monitor regulatory developments to ensure we comply with the laws and regulations of the countries where we operate, including climate and HSE legislation to maintain our licenses to operate. Additionally, we actively provide comments and feedback regarding proposed or draft rules when given the opportunity, specifically when draft rules are open for public comments. As a result of the Paris Climate Agreement and the European Union's announced carbon dioxide emissions reductions targets, our Dutch operations are part of a group of companies engaged in the ongoing dialogue with Dutch government regarding proposed new carbon dioxide emissions regulations and additional taxes. We are also engaged in ongoing lobbying on the national and European Union levels to enhance cooperation and transparency between regulators and our industries. We have also committed to reducing our greenhouse gas emissions to reduce our environmental impact and contribute to achieving the decarbonization goals set by the Paris Agreement. Please refer to pages 39-40 for more information. We continue to monitor closely and maintain flexibility to change trade flows and accommodate tariffs and continue to monitor regulatory developments and develop targeted action plans as part of our Group Compliance Framework.
ABILITY TO MAINTAIN OUR HEALTH, SAFETY AND ENVIRONMENT (HSE) STANDARDS	Risk decreasing	HSE is a vital aspect across the group. We have a deep commitment to maintaining our strong HSE track record. Despite the nature of our businesses, we aim to prevent every accident through stringent HSE rules, standards, and training programs.	We implement strict HSE training and operating discipline at every plant to minimize HSE risks, and we closely monitor our plants through regular management site visits and HSE audits, in addition to comprehensive knowledge sharing across the group. Our safety and emissions records meet or exceed international standards, underscoring our commitment to providing our employees with a safe, secure, and environmentally conscious workplace. In addition, the HSE Committee supervises our HSE activities, as described in the HSE Committee report.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

COMPLIANCE

OCI strives to conduct all business activities responsibly, transparently, and with integrity and respect towards all stakeholders. These values underpin everything we do and form the framework which defines the day-to-day attitudes and behaviour of our employees.

Our approach

To make those values clear and provide clear ground rules for how we do business, our Compliance Framework consists of policies that describe in specific terms what we stand for as a company and the conduct required in the workplace, in how we deal with business partners, serve our customers, and the broader responsibilities we have to the communities in which we work and live. The Compliance Framework also sets out rules on important topics such as the prohibition of bribery, dealing with confidential information and conflicts of interest, competition law, third-party due diligence, the importance of accurate record keeping and reporting, and explains the possibility of disciplinary measures when in breach of the framework.

All employees are trained on the key principles and applications of the Compliance Framework through a group-wide e-learning platform and can raise any concerns and breaches through a safe and confidential whistleblowing and incident reporting procedure. An anonymous reporting procedure is also available, through which employees can report to a whistleblower hotline hosted by a third-party hotline provider. All reports are handled with the utmost care and confidentiality, regardless of if reported internally or via the anonymous reporting hotline.

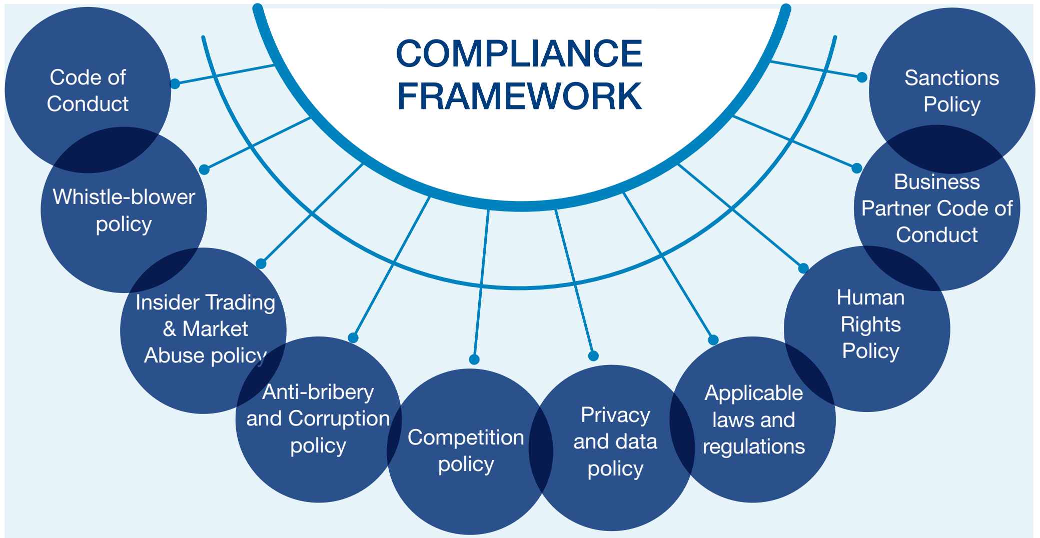
The majority of employees eligible or included in the various programs successfully completed their training. Moving forward, we will continue to raise awareness of compliance and train employees in relevant policies and procedures.

Our compliance program

The Chief Legal and Human Capital Officer (CLHCO) is the Executive Director responsible for ethics and compliance. The Group Compliance Officer, in close collaboration with the CLHCO and the rest of the Board of Directors, implements our group Compliance Program and ensures that our Compliance Framework remains in line with applicable regulations and is properly applied. The Integrity Committee, comprising of the CFO, the CLHCO, and the Group Compliance Officer, handles incidents of a severe nature. The Integrity Committee did not meet in 2020, as no incident of a (potential) severe nature was reported.

Management of Operating Companies and staff departments are responsible and accountable for raising compliance awareness within their respective businesses and departments and are supported by a Local Compliance Officer who reports on alleged breaches and compliance incidents to both operating company management and to corporate leadership. Additionally, the Audit Committee receives a Quarterly Compliance Report.

At the start of every year the Group Compliance Officer, in collaboration with operating company management, sets the annual compliance agenda. The agenda consists of continuous and new compliance activities and requirements, to ensure growth in maturity of the Compliance Program. These activities and requirements are concrete and measurable, and are reported internally on a quarterly basis, and can be tested on their effectiveness. Through this annual agenda, compliance controls are continuously developed and enhanced for effectiveness.



In 2020, amongst others, the following compliance requirements and activities were achieved:

- Training and awareness sessions on various compliance topics, among which competition law, gifts & entertainment, conflict of interest, and diversity and inclusion
- Development and implementation of a process for compliance risk mapping and setting the standard for the group's risk appetite
- Successful implementation of the third-party due diligence software and enhancement of the related screening procedure
- Implementation of a new whistleblowing hotline, including an incident management system
- Development and implementation of a tailor-made compliance framework for Fertiglobe and its operational companies

At the end of the year, the CEO and CFO of each operating company sign the Non-Financial Letter of Representation (NF LoR) to confirm compliance with the Code of Conduct and other corporate non-financial requirements. The outcome is reviewed by the CFO, CLHCO, the Group Compliance Officer and the Director Internal Audit & Risk and the results are reported to the Audit Committee and the Board of Directors. Reported outstanding actions are followed up on by the Internal Audit department and monitored in quarterly reviews. The outcome of the NF LoR process, in combination with the internal control self- assessments, the HSE reports, the Compliance reports, the risk assessments and the performed internal audits, establishes the basis for the In Control Statement of the Board of Directors in this Report.

During 2020, we received 9 incident notifications. All incidents were investigated, with no substantial cases found. There were no violations of applicable laws in 2020.

COMPLIANCE
Our Code of Conduct extends across our supply chain

We promote sustainable agriculture and nutrient stewardship through our supply chain, which begins with sourcing natural gas and ends at our agricultural and industrial customers. We work diligently to ensure every aspect of our business operates optimally and promote best practices through our Business Partner Code of Conduct.

Our governance and compliance policies and expectations of ethical business practices extend beyond our operations throughout our supply chain through our Business Partner Code of Conduct.

We seek to award business to suppliers and business partners with whom OCI has a supplier relationship (collectively, Business Partners) who are committed to act fairly and with integrity towards their stakeholders, who have adopted and promote the implementation of strong business principles, and who observe the applicable laws of the country in which they operate.

We hold every Business Partner to the same level of accountability, transparency, and respectability as we do ourselves to ensure our entire value chain secures the salient rights of every individual.

Business Partner Code of Conduct

Our Business Partner Code of Conduct summarizes the values and expectations we require all Business Partners to adhere to and aligns to international laws and standards on ethics, labor, and human rights such as those set out by the International Labor Organization (ILO) and the United Nations International Children's Emergency Fund (UNICEF), the United Nations Guiding Principles on Business and Human Rights, and others.

Screening and due diligence

Based on the company's Sanctions Policy, a screening of all Business Partners performed when considering Business Partners. Via a compliance software tool, we conduct customary due diligence including a screening of the Business Partner against sanction lists and compliance databases, on environmental performance, labour practices, and human rights performance. We also check if any adverse media coverage in relation to the Business Partner exists, including if the future Business Partner has been involved in other unethical or illegal conduct. In addition, all existing Business Partners are continuously monitored via this software tool. It is the Business Partner's responsibility to maintain and enforce compliance within its supply chain. Key Business Partners undergo more in-depth screening as part of our due diligence process.

The effectiveness of our Business Partner screening processes is evaluated by the compliance team and the internal audit team as part of their regular compliance and audit cycles, which also includes Business Partner audits as part of contractual arrangements.

Reporting Business Partner misconduct

We provide a clear reporting mechanism for suspected Business Partner misconduct through our whistleblowing platform, which includes an anonymous reporting procedure via a hotline hosted by a third-party hotline provider. More information is available in the Business Partner Code of Conduct and on our website.

100%

of Business Partners are required to adhere to Business Partner Code of Conduct

>3,200

Business Partners across our business partner chain

REGULAR

Business Partner audits conducted as part of contractual arrangements

Corporate governance

CO-CHAIR'S INTRODUCTION

MICHAEL BENNETT
CO-CHAIR

I congratulate every employee for their perseverance and resourcefulness to deliver strong performance for OCI and its group companies

The exceptional events of 2020 emphasized the importance of robust governance for the effective management of our business. I am impressed by the way OCI N.V. (OCI or Company) navigated the year's challenges and congratulate every employee for their perseverance and resourcefulness to deliver strong performance for OCI and its group companies (Group), despite the year's unusual working conditions and personal stress.

During the year, the Board of Directors (Board) oversaw several initiatives that we believe have allowed OCI to achieve strong cohesion and develop a clear purpose.

Strategically, we mandated the executive directors (Executive Directors) to further develop OCI's commitment to decarbonization through the development and implementation of our recently announced environmental and social targets and sustainability strategy. We also reaffirmed this commitment by establishing the HSE & Sustainability Committee to provide dedicated guidance on the subject and aligned the Executive Directors' long-term compensation to a basket of environmental, social, and governance (ESG) metrics.

Culturally, we oversaw the launch of the OneOCI platform, which we are pleased to see was instrumental in helping develop a unified community throughout the Group despite the physical separation caused by COVID-19. We also oversaw the launch of a Groupwide diversity and inclusion program, which includes a target to increase the representation of women in senior leadership to 25% by 2025.

We also guided the Group through changes to OCI's leadership. During the year, Mr. Nassef Sawiris was appointed Executive Chair, allowing him to focus on directing OCI's strategy and long-term value creation. Mr. Ahmed El-Hoshy succeeded Mr. Nassef Sawiris as Chief Executive Officer and was appointed to the Board. Having worked with the OCI leadership team for many years in my capacity as Co-Chair, I believe OCI is led by a formidable team that is best suited to drive the business forward.

In addition, we welcomed Ms. Heike van de Kerkhof as a non-executive director (Non-Executive Director). Ms. Heike van de Kerkhof brings a wealth of expertise in sustainability to the Board, which is particularly timely given the Group's commitment to decarbonization.

For the year ended 31 December 2020, the Board reports the following:

- The Board has reviewed and discussed the audited financial statements for the year 2020.
- The Board discussed with the external auditor the outcome of their performed audits in accordance with International Standards on Auditing.
- The Board has received written confirmation of the external auditor's independence.
- Based on the review and discussions referred to above, the Board has approved that the audited consolidated and parent company financial statements be included in the 2020 Annual Report (Annual Report).

The Board recommends that the General Meeting of Shareholders (GM) adopts the 2020 financial statements included in this Annual Report and looks forward to overseeing continued excellence in every aspect in 2021.

BOARD PROFILE

					
	Michael Bennett Co-Chair and Senior Independent Non-Executive Director	**Nassef Sawiris** Executive Chair	**Ahmed El-Hoshy** Chief Executive Officer (CEO)	**Hassan Badrawi** Chief Financial Officer (CFO)	**Maud de Vries** Chief Legal and Human Capital Officer (CLHCO)
Year of birth	1953	1961	1984	1976	1972
Gender	Male	Male	Male	Male	Female
Nationality	American	Egyptian/Belgian	Egyptian/American	Egyptian/British	Dutch
Initial appointment date	January 2013	January 2013	June 2020	May 2018	June 2019
Date of last re-appointment	June 2020	June 2020	-	June 2020	June 2020
End of current term	2023	2024	2024	2024	2024
Ordinary shares owned	23,500	69,374,747	60,928	129,601	10,647
Committee membership[1]	N&R	-	-	-	-
Attendance at Board and Committee meetings[2]	BoD (6/6) N&R (8/8)	BoD (6/6)	BoD (3/3)	BoD (6/6)	BoD (6/6)
Current external appointments	• Director Morningside College • Please see the summary of skills and experience on page 94	• Supervisory Director Adidas AG • Chairman and CEO of Avanti Acquisition Corp. • Executive chairman of Aston Villa FC Member of the: • J.P. Morgan International Council • Cleveland Clinic's International Leadership Board Executive Committee • University of Chicago's Board of Trustee • Exor N.V. Partners Council • Council on Foreign Relations Global Board of Advisors • Please see the summary of skills and experience on page 94	Please see the summary of skills and experience on page 94	Risk management and for further experience please see the summary of skills and experience on page 94	• EVP HR NNS Luxembourg S.à r.l. • Please see the summary of skills and experience on page 94

[1] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE: Health, Safety and Environment & Sustainability Committee and N&R: Nomination and Remuneration Committee
[2] The attendance at board and committee meetings is pro-rated to the term of the individuals Board and Committee membership during the year

BOARD PROFILE
CONTINUED




	Sipko Schat Vice-Chair and Independent Non-Executive Director	**Jérôme Guiraud** Non-Executive Director	**Robert Jan van de Kraats** Independent Non-Executive Director	**Gregory Heckman** Independent Non-Executive Director
Year of birth	1960	1961	1960	1962
Gender	Male	Male	Male	Male
Nationality	Dutch	French	Dutch	American
Initial appointment date	December 2013	June 2014	June 2014	June 2015
Date of last re-appointment	June 2020	June 2020	June 2020	June 2020
End of current term	2024	2024	2024	2024
Ordinary shares owned	5,000	180,190	3,725	40,000
Committee membership[1]	AC, N&R (chair)	AC, N&R	AC (chair), N&R	HSE
Attendance at Board and Committee meetings[2]	BoD (6/6) AC (5/5) N&R (8/8)	BoD (6/6) AC (5/5) N&R (8/8)	BoD (6/6) AC (5/5) N&R (8/8)	BoD (6/6) HSE (4/4)

Current external appointments	• Member Supervisory Board:
	  • Rothschild & Co.
	  • Rothschild Bank A.G.
	  • Trafigura Group Pte Ltd
	  • Drienim B.V.
	• Director Randstad Beheer B.V.
	• Please see the summary of skills and experience on page 94
		• CEO NNS Luxembourg S.à r.l.
		• Co-CEO NNS Advisers Ltd
		• Non-Executive Director and Chairman Orascom Construction Plc
		• Non-Executive Director BESIX Group
		• Director various NNS Group entities and OS Luxembourg S.à r.l.
		• Please see the summary of skills and experience on page 94
			• Non-Executive Director VEON Ltd. (Chairman of the Audit and Risk Committee)
			• Non-Executive Chairman TMF Group
			• Supervisory Board Member Royal Schiphol Group N.V.
			• Director Randstad Beheer B.V.
			• Member advisory board SUITSUPPLY
			• Advisor to the Supervisory Board HEMA B.V.[3]
			• Risk management and for further experience please see the summary of skills and experience on page 94
				• Member of the board and CEO Bunge Ltd
				• Member Rabobank North America Agribusiness Advisory Board
				• Member NYSE Board Advisory Council
				• Member Board of Governors for the AKSARBEN Foundation
				• Member of University of Illinois Division of Intercollegiate Athletics Campaign Steering Committee
				• Please see the summary of skills and experience on page 94

[1] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE: Health, Safety and Environment & Sustainability Committee and N&R: Nomination and Remuneration Committee
[2] The attendance at board and committee meetings is pro-rated to the term of the individuals Board and Committee membership during the year

BOARD PROFILE
CONTINUED




	Anja Montijn-Groenewoud Independent Non-Executive Director	**David Welch** Independent Non-Executive Director	**Dod Fraser** Independent Non-Executive Director	**Heike van de Kerkhof** Independent Non-Executive Director
Year of birth	1962	1953	1950	1962
Gender	Female	Male	Male	Female
Nationality	Dutch	American	American	German
Initial appointment date	June 2016	May 2019	May 2019	October 2020
Date of (last) re-appointment	June 2020	June 2020	June 2020	-
End of current term	2024	2024	2024	2024
Ordinary shares owned	-	-	4,000	-
Committee membership[1]	HSE (chair), N&RC	HSE	AC	HSE
Attendance at Board and Committee meetings[2]	BoD (5/6) HSE (4/4) N&R (7/8)	BoD (6/6) HSE (4/4)	BoD (5/6) AC (5/5)	BoD (1/1) HSE (1/1)
Current external appointments	• Member of the Supervisory Board of Fugro N.V. • Member of the Board VEUO (a representative organization of listed companies which looks after the interest of companies listed at Euronext Amsterdam) • Please see the summary of skills and experience on page 94	• Member of the Council on Foreign Relations and the American Academy of Diplomacy • Please see the summary of skills and experience on page 94	• Independent Director Subsea 7 S.A. • Non-Executive Chairman Rayonier Inc. • Member of the Board of Fleet Topco Limited, the private holding company of Argus Media Ltd. • Please see the summary of skills and experience on page 94	• Chief Executive Officer and Member of the Board of Directors at Archroma • Non-Executive Director at Venator Materials PLC • Please see the summary of skills and experience on page 94

[1] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE: Health, Safety and Environment & Sustainability Committee and N&R: Nomination and Remuneration Committee
[2] The attendance at board and committee meetings is pro-rated to the term of the individuals Board and Committee membership during the year

BOARD SUMMARY OF SKILLS AND EXPERIENCE

	M. Bennett	N. Sawiris	A. El-Hoshy	H. Badrawi	M. de Vries	S. Schat	J. Guiraud	R.J. van de Kraats	G. Heckman	A. Montijn	D. Welch	D. Fraser	H. van de Kerkhof
Independent	•					•		•	•	•	•	•	•
International business experience	•	•	•	•	•	•	•	•	•	•	•	•	•
Commercial/Marketing		•	•			•		•	•	•			•
HSE	•	•	•						•	•	•		•
Strategic management	•	•	•	•	•	•	•	•	•	•	•	•	•
Financial expertise: banking		•	•	•		•	•	•				•	
Financial expertise: accounting				•		•	•	•				•	
Nitrogen/Methanol experience	•	•	•	•					•			•	
Emerging Markets experience	•	•	•	•	•	•	•	•	•	•	•		•
Tax/Legal/Compliance				•	•	•	•	•				•	
HR & executive compensation	•	•			•	•	•	•		•		•	
Risk management / Internal Control & Audit			•	•	•	•	•	•			•	•	•
Government/Regulatory knowledge	•		•	•	•	•		•	•		•		
Sustainability	•	•	•	•	•			•	•	•	•		•
Change management / Business consolidation	•	•	•	•	•	•	•	•	•	•	•	•	•
Technology / IT			•	•				•		•			•

BOARD REPORT

OCI is a public limited liability company (*naamloze vennootschap*) established under the laws of the Netherlands, with its official seat in Amsterdam, the Netherlands.

Governance framework

Introduction

OCI is committed to the principles of good corporate governance. The Board believes that good corporate governance practices align the interests of all stakeholders by having structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and long-term value creation of the Company.

OCI's strategic priorities as described on pages 6-19 aim to deliver long-term value creation for the Company and its stakeholders. These priorities are supported by the Board and are underpinned by OCI's commitment to invest in products that help achieve OCI's purpose of **cultivating a sustainable world through cleaner fuel solutions, lower carbon feedstocks, and global food security**. Please refer to the Strategy and value creation section of this Annual Report for the Board's view on OCI's strategy and its implementation.

Organizational and corporate structure

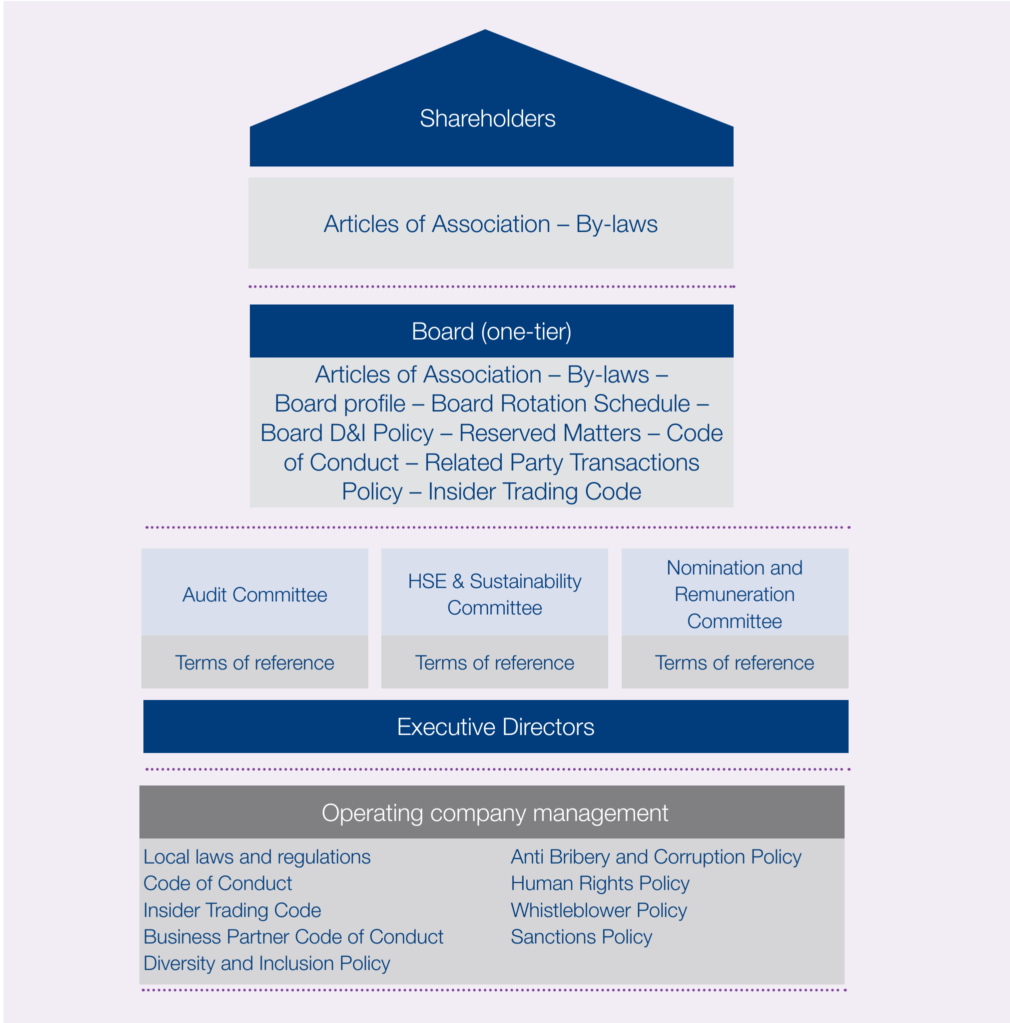
OCI is organized by its two primary functional segments, nitrogen and methanol.

The Board sets the strategic mandate with operational, financial, and sustainability goals relayed to management.

The Executive Directors manage the achievement of these goals and the day-to-day operations. In executing the goals, the Executive Directors are supported by several corporate functions. In addition, each principal subsidiary is led by a general manager and a finance director who report to the Executive Directors.

Governance structure

OCI has designed its corporate governance structure in compliance with its articles of association, by-laws, the requirements of the Dutch civil code, the Dutch corporate governance code (Code), the applicable securities laws, rules and regulations of the Amsterdam stock exchange and international best practices. All governance and compliance policies and procedures are available on our website under Corporate Governance.



BOARD REPORT
CONTINUED

The Board of Directors

OCI is managed by a one-tier Board comprised of Executive Directors and Non-Executive Directors. The Board maintains three committees as part of its supervisory role: the Audit Committee, the Nomination and Remuneration Committee and the HSE & Sustainability Committee (Committees).

The Board is collectively responsible for OCI's management and strategy. The Board promotes a culture of openness and accountability within the Board and throughout the entire organization. The tasks, responsibilities and procedures of the Board are set out in OCI's by-laws, which are available on OCI's website.

The Board has delegated the operational management of the business to the Executive Directors, apart from certain reserved matters as set out in such Board resolution, OCI's articles of association and by-laws.

The Board is authorized to represent OCI. In addition, the Co-Chair of the Board and each Executive Director are authorized to solely represent OCI.

Executive Directors

The Executive Directors are charged with the day-to-day management of OCI. They are responsible for the continuity of OCI, the optimization of its business, and creating a culture that contributes to long-term sustainable value creation for stakeholders. Each Executive Director has an individual responsibility for certain business segments, functional areas, projects and tasks. Our strategic priorities include operational excellence, global commercial strategy, sustainable solutions, decarbonization, and maximizing free cash flow.

During 2020, the Board was composed of the following three Executive Directors: Mr. Nassef Sawiris (CEO), Mr. Hassan Badrawi (CFO) and Ms. Maud de Vries (CLHCO). Mr. Ahmed El-Hoshy was appointed to the Board at the 2020 AGM as Executive Director, thereby bringing the total number of Executive Directors to four. Mr. Ahmed El-Hoshy assumed the role of CEO from Mr. Nassef Sawiris per 1 August 2020. Mr. Nassef Sawiris became the Executive Chair of the Board as per that same date. The Executive Chair is, amongst others, responsible for determining the strategy of the Group and providing guidance to the other Executive Directors.

Non-Executive Directors

The role of the Non-Executive Directors is essentially supervisory in nature. The Non-Executive Directors supervise, amongst others, the interests of the stakeholders, fostering a culture aimed at long-term value creation, the operational, financial and sustainability goals, the establishment and maintenance of internal procedures to ensure that all relevant information is known to the Board in a timely fashion, and shareholder engagement.

During 2020, the Board was composed of nine Non-Executive Directors: Mr. Michael Bennett, Mr. Jan Ter Wisch, Mr. Sipko Schat, Mr. Jérôme Guiraud, Mr. Robert Jan van de Kraats, Mr. Gregory Heckman, Ms. Anja Montijn-Groenewoud, Mr. David Welch and Mr. Dod Fraser. The appointment of Mr. Jan Ter Wisch as Independent Non-Executive Director and Vice-Chair of the Board ended at the AGM. Ms. Heike van de Kerkhof was appointed to the Board as Independent Non- Executive Director at the Extraordinary General Meeting of Shareholders (EGM) on 20 October 2020, bringing the total number of Non-Executive Directors back to nine, and bringing knowledge and experience in sustainability to the Board. As of 1 August 2020, Mr. Michael Bennett became Co-Chair and Senior Independent Non-Executive Director and Mr. Sipko Schat became Vice-Chair and Independent Non-Executive Director.

The Co-Chair is primarily responsible for the functioning of the Board and its Committees. Together with the Company Secretary, the Co-Chair sets the agenda for Board meetings and leads an induction program for new Directors tailored to their respective needs. The Vice-Chair acts as the contact for shareholders and other stakeholders of the Company with respect to concerns which have not been resolved through the normal channels of the Co-Chair, the Executive Chair or the other Executive Directors.

Appointment of Directors

The GM can appoint, suspend or dismiss an Executive Director or a Non-Executive Director by an absolute majority of the votes cast upon a proposal of the Board.

BOARD REPORT
CONTINUED

2020 Board and Committee meetings

The table below summarizes how the duties of the Board and the Committees were carried out during 2020, including the focus topics that were reviewed, discussed and advised on.

	Board	Audit Committee	Nomination and Remuneration Committee	HSE & Sustainability Committee
General	The Board focused on matters contributing to medium and long-term value creation and continues to be involved in shaping the strategy through regular discussions and focus on supervising medium to long term strategic targets aligned with OCI's vision. The Board maintains three committees as part of its supervisory role, these committees are Non-Executive committees.	The Chair met with the internal and external auditor in advance of every Audit Committee meeting to secure that all relevant issues were sufficiently addressed. The external auditor attended all Audit Committee meetings in 2020 and was able to meet with the Audit Committee without the presence of management in each meeting.	More information on the remuneration policy and the 2020 remuneration review can be found in the Remuneration Report beginning on page 104.	More information on HSE and sustainability can be found in the sustainability section beginning page 29.
Tasks, responsibilities and procedures	Set out in the **by-laws**	Set out in the **Terms of Reference of the Audit Committee**	Set out in the **Terms of Reference of the Nomination and Remuneration Committee**	Set out in the **Terms of Reference of the HSE & Sustainability Committee**
Number of Members	13 Directors	Four Non-Executive Directors. Mr. Robert Jan van de Kraats is the Chair given his competence in accounting and auditing as per section 2(3) of the Audit Committee Decree 2016	Five Non-Executive Directors. Mr. Sipko Schat is the Chair	Four Non-Executive Directors. Ms. Anja Montijn-Groenewoud is the Chair
Number of Meetings held	Six	Five	Eight	Four
Focus topics	• Medium and long term strategy • COVID-19 • HSE • ESG and sustainability and regulatory environment (Climate Agreement in the Netherlands, Dutch Carbon Tax and impact on the Dutch businesses viability) • Virtual Board and Committee meetings, AGM and EGM • Net debt reduction • Refinancing strategy • Debt capital structure optimization • Sales and inventories strategy / market developments • Operational performance and cost control • Succession planning • Organizational design and management development • Composition of the Board and Committees and Board structure • Internal controls • Natural gas risk management • Hedging policy and risk framework • Cybersecurity • Related party transactions	• Evaluation Risk Management and Internal Controls including the key risks facing the Group • Evaluation of ESMA guidance and focus, priorities and risk management in relation to COVID-19 • Implementation of a Group Delegation of Authority • IT and IT (cyber) security • In-control statement and underlying in-control situation • Evaluation Related Party Transactions and implementation of Related Party Transactions Policy • Tax review and policy • Refinancing • Governance and stand-alone functioning of Fertiglobe • Evaluation Group's Compliance Framework and effectiveness • Evaluation year-end closing process • Litigation • Assessment of the functioning of the external auditor, its appointment, including scope, risk assessment and materiality • Strategy and ERP • Internal Audit Plan	• Remuneration cycle and policy review • HR roadmap: succession planning and talent management and development • Strengthening key positions in the internal organization • Evaluation Board profile and composition including diversity and inclusion • Overseeing the governance changes (reappointment of 11 Board members, appointment of two new Board members in functions and titles) • Fertiglobe governance and stand-alone functioning • Ensuring compliance of Remuneration Policy with EU Shareholders Rights Directive II • Evaluation of the 2019 targets for the Executive Directors • Setting 2020 targets for the Executives • Reviewed and advised on the executive compensation • Reviewed and advised on the benefit plans and short-term and long-term incentive programs of the Executive Directors	• 2020 HSE strategy and performance • 2021 HSE plan and 2021 target setting • HSE audit schedule and quality and outcome of the HSE audits • Climate Agreement in the Netherlands • Energy and environmental developments • Safety Award • Fertil (Abu Dhabi) site visit • Oversight of the Company's strategy, policies and initiatives relating to sustainability matters (linked to OCI's overall strategy) • Monitor and periodically discuss the Company's sustainability goals, targets, risk management and objectives and the progress made in these areas • Review of the Company's sustainability disclosures in the annual report, as well as any periodic disclosures on sustainability
Strategic targets	The Board's strategic targets are focused on guiding and supervising the company's journey to achieving its commitment to sustainable value creation by focusing on its strategic priorities of operational excellence, business optimization, a global commercial strategy, sustainability, and maximizing free cash flow to achieve 2.0x net leverage through the cycle.			

BOARD REPORT
CONTINUED

Board rotation schedule

During the AGM, OCI has implemented the standard appointment terms under the Code (four years for Executive Directors and two times four years with possible extensions of two times two years for Non-Executive Directors) to facilitate that the Directors can focus on long-term value creation in the performance of their work. It furthermore enables the Executive Directors to ensure continuity in the Company's management and strategy and enables the Non-Executive Directors to further ensure continuity in their supervision of the Company's strategy.

The reappointment of Mr. Michael Bennett, Mr. Jérôme Guiraud, Mr. Gregory Heckman, Mr. Robert Jan van de Kraats and Mr. Sipko Schat resulted in an aggregate term of appointment of more than eight years. The Board has duly considered this and concluded that their invaluable experience and knowledge of the Company's operations as well as the industries justified such reappointments.

OCI's rotation schedule as included in the table below aims to avoid, as far as possible, a situation in which Directors retire at the same time.

Name	Date of first appointment	End of current term	Final retirement (max. 8 (12) years)
Nassef Sawiris	16 Jan 2013	2024	None
Ahmed El-Hoshy	17 June 2020	2024	None
Hassan Badrawi	24 May 2018	2024	None
Maud de Vries	1 Jun 2019	2024	None
Michael Bennett	25 Jan 2013	2023	2021(25)
Sipko Schat	9 Dec 2013	2024	2022(26)
Jérôme Guiraud	26 Jun 2014	2024	2022(26)
Robert Jan van de Kraats	26 Jun 2014	2024	2022(26)
Gregory Heckman	10 Jun 2015	2024	2023(27)
Anja Montijn-Groenewoud	28 Jun 2016	2024	2024(28)
David Welch	29 May 2019	2024	2027(31)
Dod Fraser	29 May 2019	2024	2027(31)
Heike van de Kerkhof	20 October 2020	2024	2028(32)

Board composition and independence

The composition of the Board strives to arm OCI with leadership that is diverse in skills, experience, gender and background, thereby maximizing the Board's ability to independently and critically act without emphasis on particular interests. The Board maintains independence by ensuring the majority of the Non-Executive Directors including the Co-Chair are independent. Mr. Jérôme Guiraud is not considered independent within the meaning of the Code.

The Board's composition, independence, competencies, and qualifications are detailed in the **Board Profile** and the **D&I Policy**. The Board Profile is assessed annually, taking into account the required competencies and expertise required for OCI's mission and strategic priorities, opportunities and threats, and its aim of long-term value creation. Appointments of new Board members are made based on objective selection criteria highlighting the specific skills and experience needed to ensure a balanced Board composition and to match the overall Board profile.

The Board undertakes necessary measures to ensure diversity in education, professional experience, nationality, age and gender in the selection of new candidates for the Board. In addition, the Board tries to maintain a balance between experience and affinity with the nature and culture of the Group. In this regard, the Board will follow the development of female talent in the organization closely. New appointments are based on objective selection criteria highlighting the specific skills and experience needed to ensure a rounded Board. With regard to vacancies, the Board prepares a profile based on the required education and professional experience.

In 2020 two new Directors were appointed to the Board, contributing to diversity in age, nationality, knowledge, gender and experience:

- Ahmed El-Hoshy (CEO) was appointed as Executive Director. Mr. Ahmed El-Hoshy has a wide range of knowledge and experience in the businesses conducted by OCI and corporate finance. Prior to joining OCI in 2009, Mr. Ahmed El-Hoshy began his career in Goldman Sachs' Leveraged Finance group in New York and Dubai. Before appointed CEO of OCI, Mr. Ahmed El-Hoshy was COO of OCI and CEO of OCI Americas.
- Heike van de Kerkhof was appointed as Non-Executive Director and has a wide range of knowledge and experience in the chemicals industry, in both operational and strategic roles, thought leadership in ESG strategy and strong focus on innovation and sustainability. Ms. Heike van de Kerkhof is CEO of a global specialty chemicals company and holds several non-executive positions.

BOARD REPORT
CONTINUED

Diversity & Inclusion

The Board acknowledges the importance of diversity within its Board and is considering its overall size and composition to look for opportunities to increase the female representation in the Board. OCI's target is to improve gender diversity and to maintain diversity within the Board while taking into account nationality, age, gender and background of education and professional experience of the Directors.

In October 2020, Ms. Heike van de Kerkhof was appointed as Non-Executive Director, increasing the total female representatives in OCI's Board to three out of thirteen members, or 23% of the Board. Despite the male-dominated nature of the industries OCI is active in, in case of a vacancy in the Board, OCI will continue to use all efforts in the coming years to find a suitable female candidate.

Following the launch of the Board Diversity program in 2019, we further reinforced our commitment to fostering an inclusive culture by launching a group-wide Diversity and Inclusion program in 2020. The program aims to ensure fairness, equality and diversity in recruiting, compensating, motivating, retaining, and promoting employees. We are fortunate to have a diverse global workforce encompassing 32 nationalities located in ten countries, but we lag in gender diversity. Though we operate in traditionally male dominated industries, we are working to improve our gender diversity in both technical and non-technical roles and at all levels of our organization.

We have set internal benchmarks and targets to improve our recruitment processes, conduct de-biasing training, provide sponsorship and mentorship of minority employees, and develop employee networks that help them succeed. The de-biasing training conducted in 2020 was positively received, and participants' feedback provided relevant insights, amongst others that there is support across the Group for increasing awareness on diversity and inclusion. In addition, all HR teams completed a full de-biasing review of recruitment processes and will extend this review to compensation, retention and promotion processes in 2021.

On a group level, we announced a target to increase female representation in senior leadership to 25% by 2025. We also set an internal target of filling at least 20% of all vacancies with female candidates. During the year, 100% of our HR community completed the de-biasing training, which helped improve the diversity of our hiring in 2020 despite limitations on hiring during the COVID-19 pandemic. We hired 18.5% more women in 2020 compared to 2019 by filling 20.6% of vacancies with female candidates during the year. Female representation within the Group remained stable in 2020 compared to 2019 at 10.5%. Going forward, we will continue to focus on female turnover analysis and initiatives to retain female talent as part of our diversity program.

A new performance measure relating to diversity and inclusion was added to the long-term incentive plan of the Executive Directors that will apply from 2021, thereby aligning remuneration more closely to performance of our strategic priorities and long-term interests.

Board involvement

Members of the Board regularly visit one or more of OCI's plants, headquarters and corporate offices to gain greater familiarity with the workforce and senior management and to develop deeper knowledge of local operations, local customs, operational opportunities and challenges, and the business in general.

In January 2020, prior to COVID-19 restricting international travel, the Board visited Abu Dhabi to meet Fertiglobe management and visit one of Fertiglobe's plants in Abu Dhabi. The visit deepened the Board's understanding of the history, legacy set-up, vision, values, financial performance and cost optimization initiatives, and operational safety performance. The Board was impressed by the focus on and culture of health, safety and environment. The products and production processes were further explained during a tour of the site and a visit to the control rooms.

The Board interacts with senior management throughout the entire organization on various occasions and in various settings. The Board is regularly informed about relevant topics by OCI's senior leaders and experts during Committee and Board meetings, annual site visits, and also as part of their ongoing professional education.

In 2020, the Board was trained on sustainability and sustainability initiatives that reduce OCI's environmental impact, grow OCI's green portfolio and innovate more effective ways of reaching the world's carbon neutral goals.

As part of the Company's drive to create a cohesive group culture, the Board approved the launch of the OneOCI platform encouraging a dialogue across all locations. The Executive Directors host bi-annual townhall meetings including Q&A session for all employees as part of the OneOCI platform.

The Board also closely monitored the developments and Company response to COVID-19, including receiving regular updates from the COVID-19 taskforce.

ESG

ESG and sustainability are imbedded into all aspects of our organization, including our strategic objectives, risk management, capital allocation and financial planning, operational and commercial activities, and other medium and long-term decision-making.

The Board has overall responsibility for OCI's strategy, business objectives, and risk management, including ESG and sustainability. The Health, Safety and Environment Committee evolved in 2021 to formally include sustainability. The Committee's responsibilities include overseeing our approach to managing the risks and opportunities related to sustainability, climate change, and our environmental impact. Ms. Heike van de Kerkhof was appointed as Non-Executive Director during the EGM on 20 October 2020 having a strong focus on ESG, innovation and sustainability, and joined the HSE & Sustainability Committee in 2020.

BOARD REPORT
CONTINUED

The Board has mandated the Company to communicate its sustainability strategy and has approved OCI's long-term environmental targets. In addition to dedicated focus by the HSE & Sustainability Committee, Board sessions will continue to spend time on ESG topics. The Board has tasked the Executive Directors with the management of ESG and sustainability objectives, including the development and implementation of our ESG targets and strategy, supported by the Group Corporate Affairs Director. A new performance measure relating to ESG was added to the long-term incentive plan of the Executive Directors that will apply from 2021, thereby aligning remuneration more closely to performance of our strategic priorities and long-term interests.

Each production facility's leadership team is responsible for identifying and evaluating sustainability projects and opportunities, and report on their progress to the Executive Directors during the site's monthly business review. The Capex Committee reviews and approves sustainability-related capex with a view to balance our sustainability goals with our other commitments and investment returns thresholds. We also appointed a Sustainability Director for Europe in 2020 to support our European assets with assessing potential decarbonization projects.

Culture

OCI has grown significantly over the last 12 years at a compound annual growth rate (CAGR) of 23% since 2008, and because of that ramp up the focus was on creating strong local teams resulting in a diverse workforce with 25 nationalities located in ten countries. With our rapid growth phase complete, we are strengthening our group culture to become a cohesive and united global organization.

During the year, we launched the OneOCI platform to bring together the best of OCI under one unified culture, a shared set of values, and a platform to encourage dialogue across our locations. OneOCI provides a central hub for employee dialogue across all locations and functions, facilitates information sharing and collaboration, recognizes employee development by highlighting personal and professional achievements, and creates opportunities for greater transparency and alignment on the Group's strategy through regular newsletters and townhalls led by the Executive Directors.

The Group's refreshed purpose of **cultivating a sustainable world through cleaner fuel solutions, lower carbon feedstocks, and global food security.** provides a clear ambition, with goals and strategic objectives that strive to achieving that vision.

Our values promote our culture of CARE – Collaboration, Agility, Resourcefulness, Excellence – through which we strive to contribute positively to our world, our communities, our customers, and each other at OCI. Employees are encouraged to uphold these values both at work and in their day-to-day lives.

OCI's culture is underpinned by its Code of Conduct, which requires all employees to act with honesty and integrity to foster a business environment that protects the rights and interests of all stakeholders. Our Code of Conduct also highlights our zero- tolerance policy for any form of harassment or bullying. Employees are required to treat all individuals with respect, tolerance, dignity, and without prejudice to create a mutually respectful, collaborative, and positive working environment. We do our utmost to provide employees with a safe environment to address any issue directly with management, and through our Whistleblower Policy we also provide a confidential procedure to raise any concerns, instances of discrimination, and other breaches to our Code of Conduct.

Compliance

We strive to conduct all business activities responsibly, transparently, and with integrity and respect towards all stakeholders. These values underpin everything we do and form the framework which defines the day-to-day attitudes and behaviours of our employees.

To make those values clear and provide clear ground rules for how we do business, our Compliance Framework consists of policies that describe in specific terms what we stand for as a company and the conduct required in the workplace, in how we deal with business partners, serve our customers, and the broader responsibilities we have to the communities in which we work and live. The Compliance Framework also sets out rules on important topics such as the prohibition of bribery, dealing with confidential information and conflicts of interest, competition law, third-party due diligence, the importance of accurate record keeping and reporting, and explains the possibility of disciplinary measures when in breach of the framework.

All employees are trained on the key principles and applications of the Compliance Framework through a group-wide e-learning platform and can raise any concerns and breaches through a safe and confidential whistleblowing and incident reporting procedure. An anonymous reporting procedure is also available, through which employees can report to a whistleblower hotline hosted by a third-party hotline provider. All reports are handled with the utmost care and confidentiality, regardless of if reported internally or via the anonymous reporting hotline.

The Chief Legal and Human Capital Officer (CLHCO) is the Executive Director responsible for ethics and compliance. The Director Compliance, in close collaboration with the CLHCO and the rest of the Executive Directors, implements our group Compliance Program and ensures that our Compliance Framework remains in line with applicable regulations and is properly applied. The Integrity Committee, comprising of the CLHCO, the CFO and the Director Compliance, handles incidents of a severe nature.

We refer to the Compliance section on page 87 for further details on OCI's Compliance Framework, including compliance with the Code of Conduct and the Business Partner Code of Conduct. OCI places great value on its Compliance Framework, which is fundamental to its reputation and continued success.

BOARD REPORT
CONTINUED

Assessment and evaluation of the Board

An evaluation of the Board is performed every year by an external advisor. OCI engaged the services of Lintstock to assist with the 2020 review of the Board's performance. Lintstock is a corporate governance advisory firm that specializes in facilitating Board reviews and has no connection with OCI.

The first stage of the review involved Lintstock engaging with the Co-Chair and Company Secretary to set the context for the evaluation and to tailor the survey content to the specific circumstances of OCI. All Board members were then invited to complete an online survey addressing the performance of the Board and its Committees. The anonymity of the respondents was ensured throughout the process in order to promote an open exchange of views.

The exercise was weighted to ensure that core areas of Board and Committee performance were addressed, with a particular focus on the following topics:

- COVID-19 and the focus, priorities and risk management in response to the COVID-19 pandemic;
- The governance changes that took place during 2020 in relation to the changes made to the roles and responsibilities;
- The overall Board composition and composition of the Committees;
- The oversight of various aspects of risk, and the effectiveness of OCI's approach to HSE and monitoring compliance with relevant regulations and legislation;
- The culture and behaviour throughout OCI;
- The development, clarity and achievability of OCI's strategic plan and the integration of sustainability into OCI's business strategy and operations;
- The effectiveness of Board meetings held remotely using video-conferencing technology;
- The effectiveness of monitoring developments in the market environment, including the digital developments relevant to OCI, and any likely impacts on the business;
- The organizational structure of OCI at senior levels, and the Board's oversight of the succession plans for the Board and the layer of management below the Board to manage and develop talent;
- The understanding amongst Board members of investors, customers and employees, and the development of the mechanisms by which the Board engages with key stakeholder groups;
- The atmosphere at Board meetings, and the extent to which the experience of Non-Executive Directors is drawn on for the benefit of the business;
- The quality of information and support available to the Board, including specific areas in which Directors would benefit from greater training or support in future;
- The individual performance and personal development of each of the Board members.

The overall feedback from the evaluation in 2020 was that the Board members feel the Board generally functions well. The above topics have the constant attention of the Board throughout the year, with a particular focus on strategy, operational excellence, sustainability, culture and behaviour, Board composition and succession planning.

BOARD REPORT
CONTINUED

Shareholders' rights and meetings

OCI's shareholders exercise their rights through the GM. An AGM is held no later than six months after the end of OCI's financial year (which equals a calendar year). The 2020 AGM was held on 17 June 2020.

The GM has the authority to discuss and decide on inter alia the following main items:

- The adoption of the annual accounts;
- The release of the Directors from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts and/or otherwise disclosed to the GM prior to the adoption of the annual accounts;
- The appointment of the external auditor;
- The (re)appointment, dismissal and suspension of the Directors;
- Amendments to the remuneration policy applicable to the Board;
- An advisory vote regarding the remuneration report applicable to the Board;
- The issue of shares and the restriction or exclusion of pre-emptive rights of shareholders (both insofar not delegated to the Board);
- The reduction of share capital; and
- The approval of those decisions of the Board that entail a significant change in the identity or character of OCI or its business.

The agenda for each GM is published on OCI's website in advance of the GM. After a GM the minutes are made available on OCI's website as well.

Shareholders representing more than 3% of the issued share capital may submit proposals for the agenda, if substantiated and submitted in writing at least 60 calendar days in advance of the GM.

Additional EGMs may be convened at any time by the Board or by one or more shareholders representing more than 10% of the issued share capital. During 2020, an EGM was held on 20 October 2020.

Votes representing shares can usually be cast at the GM either personally or by proxy. No restrictions are imposed on these proxies, which can be granted electronically or in writing to OCI or independent third parties. OCI's shareholders may cast one vote for each share. All resolutions adopted by the GM are passed by an absolute majority of the votes cast, unless Dutch law or OCI's articles of association prescribe a larger majority.

In 2020, the AGM and EGM were held virtually per the Temporary Dutch COVID-19 Justice and Security Act (Tijdelijke wet COVID-19 Justitie en Veiligheid). Shareholders were invited to follow the AGM remotely through a live webcast and the EGM remotely via conference call. Prior to the GM, shareholders were invited to vote via a proxy and submit written questions about the items on the agenda which were answered during the GM.

The following proposals were voted on during the 2020 GM's:

- The adoption of the Annual Accounts 2019 and allocation of profits;
- The discharge of the Executive Directors and Non-Executive Directors from liability;
- The reappointment of the Executive Directors and Non-Executive Directors and the appointment a new Executive Director and a new Non-Executive Director;
- The approval of the new Remuneration Policy;
- To advise on the 2019 Remuneration Report;
- The extension of the designation of the Board as the authorised body to issue shares in the share capital of OCI, to restrict or exclude pre-emptive rights upon the issuance of shares and to repurchase shares in the share capital of OCI; and
- The appointment of KPMG Accountants N.V. as auditor charged with the auditing of the annual accounts for the financial year 2020.

External Auditor

OCI's external auditor is appointed by the AGM. The Audit Committee evaluates the functioning of the external auditor and recommends to the Board the external auditor to be proposed for (re)appointment by the AGM. At the 2020 AGM, KPMG Accountants N.V. was appointed as external auditor for OCI for that same year.

The external auditor attends all Audit Committee meetings. During these meetings, the external auditor discusses the outcomes of the audit procedures. Key audit topics are discussed. The external auditor receives the financial information per quarter and can comment on and respond to such information, which is also included in OCI's quarterly condensed financial statements. The external auditor is also present at the AGM and may be questioned on its statement of the fairness of the financial statements.

OCI's lead audit partner needed to rotate off after signing the 2019 financial statements early 2020. Since then, the new lead audit partner took over, after already having attended all Audit Committee meetings during the 2019 financial statements audit and having been involved in the analysis and conclusions of all major accounting and reporting matters during 2019. Furthermore, after closing of the Fertiglobe transaction end 2019, the new lead audit partner has been responsible to oversee the onboarding of Fertil in OCI's group audit.

BOARD REPORT CONTINUED

Independence of the auditor is a continued area of focus. In accordance with OCI's external audit independence policy, the Audit Committee reviews the independence of the auditor annually.

Internal auditor

The internal Audit & Risk team assists the Audit Committee, Executive Directors, and local management by facilitating the identification of risks and the promotion or risk awareness and ownership across our organization. The internal Audit & Risk department reports the results from internal audits, risk assessments from operating companies and group consolidated risk dashboards to the Audit Committee quarterly and performs periodic independent internal audits to review any specific issues at the subsidiary and holding company levels.

Decree Article 10 EU Takeover Directive

OCI confirms that it has no anti-takeover instruments, i.e.: of measures that are primarily intended to block future hostile public offers for its shares. Although the members of the Sawiris family have not entered into any formal shareholders agreement, they have historically coordinated their voting on the OCI shares and should therefore be regarded as parties acting in concert (*personen die in onderling overleg handelen*) as defined in section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). Their collective voting rights of 55.97% as at 31 December 2020 act as an implicit anti-takeover element.

Compliance with the Code

OCI is compliant with the Code.

Potential conflicts of interest

Potential or actual conflicts of interest are governed by OCI's articles of association and by-laws which regulations are in line with the relevant principles of the Code and Dutch law. A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the other Directors and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he/she has a potential conflict of interest with OCI.

During 2020, no transactions occurred in respect of which a Director had a conflict of interest.

Related party transactions

OCI has a **Related Party Transactions Policy** in place, providing adequate protection for the interests of OCI and its stakeholders which has been prepared with due observance of the requirements of Dutch law, the Code, OCI's articles of association and by-laws.

The overview of related party transactions in 2020 is disclosed in the Financial Statements in note 30.

REMUNERATION REPORT

Introduction by the Chair of the Nomination and Remuneration Committee

On behalf of the Board, I am pleased to present our 2020 Remuneration Report, in which we comment on OCI's performance and how 2020 events have impacted the remuneration paid to our Executive and Non-Executive Directors.

During the year, OCI was able to deliver on its strategy despite the unprecedented global circumstances we all faced due to the COVID-19 pandemic. The Executive Directors effectively navigated the company to deliver strong results during the year in addition to implementing several operational, commercial, and cultural changes such as operational and commercial team restructuring, the launch of the OneOCI platform with a focus on diversity and inclusion, and a cost savings program, all while ensuring each OCI location remained as safe and healthy as possible for our employees, contractors and suppliers during the pandemic and without applying for government assistance programs or requiring redundancies or furloughs.

The Committee is satisfied by the swift actions and decisions made in the past year and is impressed with the collaboration amongst the team which has been through several recent changes.

At the 2020 AGM Mr. Ahmed El-Hoshy was appointed as statutory director of the company, following his appointment as Chief Operating Officer (COO) on 25 November 2019. When Mr. Nassef Sawiris assumed the position of Executive Chair of OCI's Board per 1 August 2020, Mr. El-Hoshy succeeded Mr. Sawiris as Chief Executive Officer (CEO). Following the change in position for Mr. Sawiris, Mr. Michael Bennett assumed the role of Non-Executive Co-Chair and Senior Independent Director and Mr. Sipko Schat assumed the role of Vice Chair of the Board of Directors.

This Remuneration Report explains the application of the 2020 Remuneration Policy which was approved by OCI's shareholders at the 2020 AGM with 99.43% votes in favour. In line with the 2020 Remuneration Policy, the Remuneration Report is prepared in the spirit of the draft, non-binding guidelines of the European Commission for disclosure. Mindful of the advisory vote on our 2019 Remuneration Policy, which was approved by an unequivocal majority (99.38% votes in favour), this Remuneration Report is prepared in a similar format, whereby some minor changes were made to enhance readability, take out duplicates and step-up in the level of disclosure.

As a global producer and distributor of nitrogen and methanol products, our purpose is to cultivate a sustainable world through global food security and greener fuel solutions. Our strategy integrates our financial, operational, commercial, and sustainability objectives to create long-term, sustainable value for all our stakeholders as described throughout the 2020 annual report. This focus on sustainable value creation is reinforced by our remuneration policy, wherein both our short-term and long-term incentives include not just financial targets, but environmental, social, and operational goals as well. These targets are designed to be interdependent to ensure equitable focus on each of our strategic priorities, which include operational excellence, a commitment to health and safety, business optimization, global commercial strategy, sustainable solutions, decarbonization, and maximizing cash flow.

Accordingly, we believe the 2020 Remuneration Policy provides good alignment between the remuneration of the Executive Directors and shareholders' long-term interests. The Executive Directors are incentivized through both short-term and long-term compensation schemes that align to the group's long-term value creation as well as short- and medium-term company targets, individual objectives and focus areas, and strategic non-financial metrics that are fundamental to the group's long-term success.

The Remuneration Report will be subject to an advisory vote at our 2021 AGM.

Looking ahead

This year's Remuneration Report contains an additional section outlining some changes to the operation of the Long Term Incentive Plan (LTIP) of the Executive Directors that will apply from 2021. With support from external advisors, the Nomination and Remuneration Committee reviewed the LTIP with particular focus on the selection of performance measures. The new performance measures selected align our remuneration practice more closely to performance of our strategic priorities. These changes are within the parameters set out in the Remuneration Policy.

Based on on-going conversations with our shareholders and the positive feedback from other stakeholders I am confident the amendment strengthens the execution of the Remuneration Policy to meet its purpose to attract, motivate and retain the qualified individuals needed to achieve OCI's strategic and operational objectives, also on the long-term.

On behalf of the Nomination and Remuneration Committee,

Sipko Schat
Chair

REMUNERATION REPORT
CONTINUED

This section of the Remuneration Report details how the 2020 Remuneration Policy was applied in 2020 for the Non-Executive Directors.

Non-Executive Directors

The remuneration of the Non-Executive Directors consists of fixed fees for their Board Membership and for services on the Committees. To ensure their independence the Non-Executive Directors are not entitled to any variable remuneration linked to the performance of the Company. The remuneration is set at the level required to attract qualified Non-Executive Directors with the personal skills, competencies and international experience required to oversee the company's strategy and contribute to its performance and the long-term value creation.

The Non-Executive Directors do not receive any benefits. They are reimbursed for OCI-related expenses for travel, accommodation, and representation.

The table below summarizes the details of the individual remuneration of the Non-Executive Directors.

Non-Executive Director	Year	Annual Bboard fee	Audit committee membership	Nomination and remuneration committee	Health safety, environment committee	Extraordinary Items	Total Remuneration	Proportion of Fixed Remuneration
M. Bennett	2020	300,000	-	7,500	-	-	307,500	100%
	2019	290,000	-	7,500	3,750	-	301,250	100%
S. Schat	2020	150,000	20,000	20,000	-	-	190,000	100%
	2019	145,000	20,000	17,500	-	-	182,500	100%
A. Montijn-Groenewoud	2020	150,000	-	7,500	10,000	-	167,500	100%
	2019	145,000	-	-	8,750	-	153,750	100%
R.J. van de Kraats	2020	150,000	25,000	7,500	-	-	182,500	100%
	2019	145,000	25,000	7,500	-	-	177,500	100%
G. Heckman	2020	150,000	-	-	7,500	-	157,500	100%
	2019	145,000	-	-	8,750	-	153,750	100%
J. Guiraud	2020	150,000	20,000	7,500	-	-	177,500	100%
	2019	145,000	20,000	7,500	-	-	172,500	100%
D. Welch[1]	2020	150,000	-	-	7,500	90,000[2]	247,500	100%
	2019	88,710	-	-	3,750	-	92,460	100%
D. Fraser[3]	2020	150,000	20,000	-	-	-	170,000	100%
	2019	88,710	10,000	-	-	-	98,710	100%
H. van de Kerkhof[4]	2020	29,348	-	-	1,467	-	30,815	100%
	2019	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J. Ter Wisch[5]	2020	69,643	9,286	3,482	-	-	82,411	100%
	2019	145,000	20,000	7,500	-	-	172,500	100%

[1] Appointed 29 May 2019.
[2] The amount reported as extraordinary item for Mr. Welch in 2020 is the fee for services on the Board of Fertiglobe Holding Ltd
[3] Appointed 29 May 2019
[4] Appointed 20 October 2020
[5] Appointment ended 17 June 2020

REMUNERATION REPORT
CONTINUED

This section of the Remuneration Report explains how the 2020 Remuneration Policy was applied in 2020 for the Executive Directors.

Executive Directors

The Executive Directors referred to in this Remuneration Report are the Executive Chair (former CEO), CEO (former COO), Chief Financial Officer (CFO), and Chief Legal and Human Capital Officer (CLHCO). For this Remuneration Report, the remuneration of the CEO (former COO) is reported as if he was an Executive Director for the full year 2020. The details of their appointment terms are as follows:

Name	Title	Date of appointment	Current time commitment
N. Sawiris	CEO/Executive Chair	16 January 2013	Full time
A. El-Hoshy	COO/CEO	17 June 2020	Full time
H. Badrawi	CFO	1 October 2017	Full time
M. de Vries	CLHCO	1 June 2019	80% contract

Summary of pay in the year

The details of the individual remuneration of the Executive Directors and its costs to the Company are as follows:

		Fixed remuneration	Variable remuneration				Proportion of fixed and variable remuneration	
Executive Director	Year	Annual Base Salary incl. 25% benefits allowance[1]	Annual bonus	Long-term Incentives cost-to-company[2]	Medical insurance	Total Remuneration	Fixed	Variable
N. Sawiris Executive Chair (former CEO)	2020	1,583,334	n/a[3]	2,393,191	n/a	3,976,525	40%	60%
	2019	2,000,000	1,200,000	2,641,951	n/a	5,841,951	34%	66%
A. El-Hoshy CEO (former COO)	2020	1,091,667	921,032	1,420,277	n/a	3,432,976	32%	68%
	2019	n/a	n/a	n/a	n/a	-	n/a	n/a
H. Badrawi CFO	2020	1,150,000	878,715	1,193,956	n/a	3,222,671	36%	64%
	2019	1,150,000	552,000	863,471	6,815	2,572,286	45%	55%
M. de Vries CLHCO	2020	526,667[4]	402,426	356,049	n/a	1,285,142	41%	59%
	2019	280,000[4,5]	134,400	108,060	n/a	522,460	54%	46%

[1] These figures exclude employer's social security payments ($0.6 million).
[2] The amounts mentioned in this column are based on accounting standards (IFRS).
[3] Mr. Sawiris requested the Committee to waive his bonus entitlement for the first 7 months of 2020; As Executive Chair he is no longer entitled to an annual bonus.
[4] Based on 80% contract.
[5] Pro-rated to 7 months, reflecting the appointment to the Board per 1 June 2019.

Annual base salary (including 25% benefits allowance)

Salary is fixed cash compensation which enables the recruitment and retention of individuals of the caliber required to drive business performance and execute OCI group's strategy.

Salaries are set in line with individual performance and contribution to company goals with reference to external market data.

Following the change to the positions held by Mr. Sawiris from CEO to Executive Chair per 1 August 2020, his annual base salary was reduced by 50% from $2,000,000 to $1,000,000. At the same time, the annual base salary of Mr. El-Hoshy who assumed the position of CEO was increased by 9.5% from $1,050,000 to $1,150,000.

REMUNERATION REPORT
CONTINUED

The Committee has evaluated the CLHCO's performance since joining the Board. She has strongly established herself within the role. As such, the annual base salary of the CLHCO was increased by 16.7% from $480,000 to $560,000 per 1 June 2020 (based on 80% contract).

The Executive Directors' base salaries include a fixed cash allowance of 25% of the total which is designed to compensate for the personal provision of key benefits such as pension, car, life and disability insurance and other key benefits. OCI does not provide for a pension fund nor contribute to a pension plan for its Executive Directors.

The Executive Directors do not receive housing allowances or other expatriate-style benefits. They are reimbursed for OCI-related business expenses. In 2020 no extra-ordinary items or one-off payments were paid.

The base salaries of the Executive Directors include any compensation for their positions on the Board. The Executive Directors do not receive remuneration from other OCI Group companies.

Annual Bonus

The annual bonus plan supports our strategic priorities in both the short and long term, with challenging financial and non-financial targets. The Executive Chair is not entitled to an annual bonus. Mr. Nassef Sawiris requested the Board to waive his bonus for the first 7 months of 2020. For the CEO the on-target annual bonus opportunity is 75% of annual base salary. For the other Executive Directors the on-target opportunity is 60% of annual base salary. The maximum opportunity is 200% of target (i.e. 150% of annual base salary for the CEO and 120% of annual base salary for the other Executive Directors).

The structure can be summarized as follows:

60% corporate financial performance measures
Cash Flow
Sales Volumes
+
25% strategic and non-financial performance measures
+
15% health, safety and environmental performance measures
=
Annual Bonus

For 2020, the performance measures for the annual bonus can be summarized as follows:

Executive Director	Performance Measure and weighting	Target achievement %	Bonus pay-out as % of base salary	Base salary in USD	2020 Bonus outcome in USD
A. El-Hoshy	Cash flow (40%)	92%	24.45%[1]		
	Sales volume (20%)	96%	12.72%[1]		
	1st Strategic and non-financial (12.5%)	175%	14.49%[1]		
	2nd Strategic and non-financial (12.5%)	155%	12.84%[1]		
	HSE (15%)	200%	19.88%[1]		
Total			**84.37%[1]**	**1,091,667**	**921,032**
H. Badrawi	Cash flow (40%)	92%	22.14%		
	Sales volume (20%)	96%	11.52%		
	1st Strategic and non-financial (12.5%)	155%	11.63%		
	2nd Strategic and non-financial (12.5%)	175%	13.13%		
	HSE (15%)	200%	18.00%		
Total			**76.41%**	**1,150,000**	**878,715**
M. de Vries	Cash flow (40%)	92%	22.14%		
	Sales volume (20%)	96%	11.52%		
	1st Strategic and non-financial (12.5%)	175%	13.13%		
	2nd Strategic and non-financial (12.5%)	155%	11.63%		
	HSE (15%)	200%	18.00%		
Total			**76.41%**	**526,667**	**402,426**

[1] Bonus opportunity calculated on the basis of 7 months as COO with a bonus opportunity of 60% of annual base salary and 5 months as CEO with a bonus opportunity of 75% of annual base salary.

REMUNERATION REPORT
CONTINUED

The following table summarizes performance against the 2020 strategic and non-financial performance measures for each Executive Director. The combined weight of these performance measures is 25% of the total annual bonus. The strategic and non-financial performance measures link directly to the strategic priorities of operational excellence, business optimization, global commercial strategy and sustainable solutions, thus contributing to maximizing cash flow. Based on the assessment of all targets by the Committee as approved by the Board, the target achievement is determined as per the table below.

Executive Director	Strategic and personal performance measures and weighting	2020 Performance outcome	Positioning against target
A. El-Hoshy CEO (former COO)	• Sustainability and ESG (12.5%)	• Made significant progress on the development and implementation of a sustainability strategy, including setting and announcing greenhouse gas intensity reduction targets. • Clearly improved the ESG positioning of OCI whilst considering the economic implications and feasibility of the sustainability initiatives as well as the communication around that to key stakeholders internally and externally.	175%
	• OneOCI/ Leadership (12.5%)	• Successfully brought the various OCI entities under one common identity, creating more transparency and sense of belonging across the group, whilst carefully managing participations and recent COVID-19 developments. • Clear focus on organizational development, including staffing of key positions, thereby developing a platform to benefit from a centralized oversight structure, cooperation and disciplined reporting.	155%
H. Badrawi CFO	• Trade and Overall Risk Management (12.5%)	• Further improved the financial trading governance and control framework which has been rolled out at our trade entities and is adapted to cover our existing trading operations as well as capture future trades.	155%
	• Cost Control, Cash Management and Optimization (12.5%)	• Successfully managed the refinancing of the 2023 bonds, thus achieving a cash payback in under two years, with a significant finance cost benefit. • Realized above target saving on SG&A spend and increased the cash/accounts managed within automated sweeping and pooling structures.	175%
M. de Vries CLHCO	• ESG: Social and Governance (12.5%)	• Defined a comprehensive organizational response to employee experience and human-centered interaction with the workforce throughout a challenging year directing organizational performance. • Launched several initiatives to ensure sustained performance and health focusing on organizational effectiveness. • Further fostered a diverse and inclusive culture specifically focusing on increasing female representation with the workforce.	175%
	• Business contracts (12.5%)	• Successfully navigated and supported the business from a legal perspective throughout the changed market circumstances which resulted in no business disruptions in supply chain thereby ensuring business operations globally. • Further improved the legal support framework and business contracts, resulting in significant cost savings as well as improved service levels to the business.	155%

REMUNERATION REPORT
CONTINUED

The following table summarizes performance against the 2020 HSE performance measures. The combined weight of the HSE performance measures is 15% of the total STI. The 2020 HSE-performance as assessed by the HSE Committee and approved by Board was outstanding, resulting in an achievement of 200% of target. Please refer to pages 70-73 for more information on OCI's HSE performance.

HSE Performance Measure	2020 target	2020 Performance outcome	Positioning against target
Lost Time Injury Rate (LTIR)	0.11	0.09	
Total Recordable Incidents Rate (TRIR)	0.40	0.23	
Process Safety Incidents Rate (PSIR)	0.80	0.38	
Environmental Stewardship / EIR	0.40	0.29	
Safety Culture and Awareness	qualitative target focussing on a wide range of initiatives to promote a strong safety culture		
Full year corporate HSE score			**200%**

Long term variable remuneration

Options (legacy arrangement)

All options held by the Executive Directors expired per 31 December 2020. No options were exercised in 2020.

Bonus / Share Matching rights (legacy arrangement)

The Bonus / Share Matching plan was discontinued effective 1 January 2019; as such no new matching rights were awarded in 2019 or 2020.

As at 31 December 2020, the Executive Directors had 38.196 share matching rights to bonus shares outstanding.

Executive Director	Award cycle	Outstanding year-end 2020	Value at grant date in USD	Vesting date	End of lock-up period
N. Sawiris[2]	2017	17,190	381,810	23-04-2021	23-04-2023
A. El-Hoshy	2017[1]	14,633	325,016	09-04-2021	09-04-2023
H. Badrawi	2017	1,398	31,067	23-04-2021	23-04-2023
M. de Vries	2017[1]	4,975	110,495	09-04-2021	09-04-2023

[1] These represent awards granted before the appointment to the Board.
[2] The 2016 Award could not vest on the plan date of 14 April 2020 as OCI was in a Closed Trading period and share-based transactions were not allowed under the Insider Trading / Market Abuse regulations. The Awards vested on 11 May 2020, the first Trading Day after the Closed Period.

Vesting of the share matching rights is contingent on the continued employment with OCI.

Restricted stock unit plan (legacy arrangement)

As at 31 December 2020, the current CEO and CLHCO had been granted Restricted Stock Units from previous years, as follows:

Executive Director	Award cycle	Outstanding year-end 2020	Value at grant date in USD	Vesting date	End of lock-up period
A. El-Hoshy	2019[1]	19,472	354,900	1/3rd: 07-02-2022	07-02-2023
				2/3rd: 07-02-2023	07-02-2024
	2018[1]	27,346	585,000	1/3rd: 17-04-2021	17-04-2023
				2/3rd: 17-04-2022	17-04-2024
M. de Vries	2018[1]	14,263	296,163	1/3rd: 17-04-2021	17-04-2023
				2/3rd: 17-04-2022	17-04-2024

[1] These represent awards granted before the appointment to the Board.

Vesting of the Restricted Stock Units is contingent on continued employment with OCI.

REMUNERATION REPORT
CONTINUED

Performance share units

As at 31 December 2020, the Executive Directors had been granted 713,851 conditional performance share units at target.

Executive Director	Award cycle	Outstanding year-end 2019	Granted conditional in 2020	Outstanding year-end 2020	Value at grant date in USD[1]	Vesting date	End of lock-up period
N. Sawiris	2018	84,873	-	84,873	2,181,674	25-02-2021	07-02-2023
	2019	116,002	-	116,002	2,500,000	07-02-2022	07-02-2024
	2020	-	135,354	135,354	2,500,000	07-02-2023	07-02-2025
A. El-Hoshy	2018[2]	41,376	-	41,376	1,063,577	25-02-2021	07-02-2023
	2019[2]	47,855	-	47,855	1,031,340	07-02-2022	07-02-2024
	2020[2]	-	71,061	71,061	1,312,500	07-02-2023	07-02-2025
H. Badrawi	2018	40,315	-	40,315	1,036,304	25-02-2021	07-02-2023
	2019	66,701	-	66,701	1,437,500	07-02-2022	07-02-2024
	2020	-	77,829	77,829	1,437,500	07-02-2023	07-02-2025
M. de Vries	2020	-	32,485	32,485	600,000	07-02-2023	07-02-2025

[1] The grant value is a percentage of the annual base salary. For the Executive Directors this percentage is currently fixed at 125% as laid down in the Remuneration Policy.
[2] Granted before appointment as Executive Director.

Vesting of 2017 performance shares award

Based on the PSP awards of 7 February 2017, conditional shares were granted to the Executive Chair. The vesting of these shares was conditional on OCI's TSR performance in the three-year performance period ending 7 February 2020 and continued employment. The vesting of this Award could not take place on the original vesting date, 7 February 2020 as OCI was in a closed trading period. Hence, the Award vested at the first trading day after the Closed Trading Period, being 25 February 2020. Over the 3-year performance period OCI's TSR performance ranked 6th in the TSR peer group at the 58th percentile. As a result, the award vested at 77% of target. The Committee reviewed this achievement in light of the broader financial as well as non-financial performance of the Group in the respective performance period (7 February 2017 – 7 February 2020) and decided to make no adjustments to the pay-out.

Share ownership guidelines

Subject to the Share Ownership Guidelines for the Executive Directors of the Board all Executive Directors are required to own a percentage of OCI shares of their salary. These percentages are a holding of 300% for the CEO and Executive Chair and 150% for the other Executive Directors.

The table below summarizes the number of shares currently held by Executive Directors (which have no further performance conditions attached). Their holding as a percentage of salary is based on a share price of € 15.72 ($ 19.22) (the closing share price on 31 December 2020). Executive Directors are expected to build up share ownership over a period of five years of the date of appointment. Until this requirement has been met, Executive Directors must retain at least 50% of any vested shares from the PSU Plan. The Executive Chair and CFO already meet the share ownership guidelines.

Executive Director	Shares held	Shareholding[1] (% of salary)
N. Sawiris	69,374,747	Majority shareholder in OCI N.V.
A. El-Hoshy	60,928	102%
H. Badrawi	129,601	217%
M. de Vries	10,647	36%

[1] Based on a share price of € 15.72 on 31 December 2020.

Internal pay ratio

In line with market practice, the calculation of the internal pay ratio per 31 December 2020 is changed to include the value of the long term incentive (PSP/PSU). The global internal pay ratio is calculated on the basis of the following parameters:

- Average total direct compensation of a reference group consisting of all our employees globally (on an FTE basis)
- Total remuneration of our CEO, including the value of the long-term incentive based on accounting standards (IFRS).

The global internal pay ratio as measured per 31 December 2020 is 39.2 for the CEO and on average 32.8 for the Executive Board Directors. In 2019 these global internal pay ratios, calculated on the basis of the total direct compensation, excluding the value of the long-term incentive, were 33.2 for the CEO and 20.2 for the Executive Directors.

REMUNERATION REPORT
CONTINUED

This section of the Remuneration Report explains how the remuneration of the Directors develops over time and for the relevant periods it includes remuneration details for current and former Directors.

Development of directors' remuneration, company performance and employee remuneration.

The table below sets out the change in remuneration for each individual director, the change in OCI's company performance and the average change in remuneration for the employees at OCI (excluding directors) over the past 5 years.

For the Non-Executive Directors, there is no link to the company performance to ensure their independence.

We have disclosed TSR performance at OCI as the main metric for company performance sustained over the long-term. This is in line with our Performance Share Unit Plan which has historically only been measured on relative TSR performance.

For the average employee remuneration, we used the same data as for the calculation of the internal pay ratio. As the internal pay ratio is disclosed by OCI since 2017, only the data from the last four years is available.

	2020		2019		2018		2017		2016
	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)
Executive Director's Remuneration in USD									
N. Sawiris, Executive Chair/former CEO	3,976,525	-31.9%	5,841,951	-7.1%	6,290,697	+29.9%	4,842,242	-7.7%	5,243,873
A. El-Hoshy, CEO/former COO	3,432,976[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
H. Badrawi, CFO	3,222,671	+25.6%	2,565,471	+7.0%	2,397,640	n/a	351,500[2]	n/a	n/a
M. de Vries, CLHCO	1,285,142	n/a	522,460[3]	n/a	n/a	n/a	n/a	n/a	n/a
S. Butt, former CFO	n/a	n/a	n/a	n/a	n/a	n/a	5,600,665	+81.8%	3,080,962
Non-Executive Director's Remuneration in USD									
M. Bennett, USA, Co-Chair	307,500	+2.1%	301,250	-15.5%	356,575	-16.8%	428,750	-34.4%	653,486
S. Schat, NED, Vice-Chair	190,000	+4.1%	182,500	+14.1%	160,000	-	160,000	-	160,000
A. Montijn-Groenewoud, NED	167,500	+8.9%	153,750	+11.8%	137,500	-2.7%	141,250	n/a	72,500[4]
R.J. van de Kraats, NED	182,500	+2.8%	177,500	+9.2%	162,500	-	162,500	-	162,500
G. Heckman, USA	157,500	+2.4%	153,750	+9.8%	140,000	-	140,000	+1.4%	138,125
J. Guiraud, FR	177,500	+2.9%	172,500	+9.5%	157,500	-	157,500	-	157,500
D. Welch, USA	247,500	n/a	92,460[5]	n/a	n/a	n/a	n/a	n/a	n/a
D. Fraser, USA	170,000	n/a	98,710[6]	n/a	n/a	n/a	n/a	n/a	n/a
H. van de Kerkhof, GER	30,815[7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J. Ter Wisch, NED	82,411[8]	n/a	172,500	9.5%	157,500	-3.1%	162,500	-3.0%	167,500

REMUNERATION REPORT
CONTINUED

	2020		2019		2018		2017		2016
	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)
Performance at OCI									
TSR performance	65.82	-16.2%	78.50	+5.3%	74.57	-15.3%	88.05	+26.8%	69.42
Average Employee Remuneration and Internal pay ratio's									
Average employee remuneration – global employee reference group **(FTE, Total Remuneration Costs)**	93,170	-2.2%	95,287[9,10]	n/a	n/a	n/a	n/a	n/a	n/a
Internal pay ratio – global employee reference group	39.2[11]	n/a[12]	33.2[9,10]	n/a	n/a	n/a	n/a	n/a	n/a
Average employee remuneration – EU+USA employee reference group **(FTE, Total Remuneration Costs)**	n/a	n/a	n/a	n/a	122,040	-0.7%	112,843	n/a	n/a
Internal pay ratio – EU+USA employee reference group	n/a	n/a	n/a	n/a	29.6	+19.4%	24.8	n/a	n/a

1 A. El-Hoshy was appointed COO on 25 November 2019 and appointed member of the Board at the 2020 AGM on 17 June 2020; the amount represents his remuneration for the full year 2020.
2 H. Badrawi was appointed CFO on 1 October 2017 and appointed member of the Board at the 2018 AGM; the amount represents his remuneration for the part of 2017 financial year he was a Director.
3 M. de Vries was appointed as Executive Director and member of the Board per 1 June 2019; the amount is based on her 80% contract and represents her remuneration for the part of 2019 financial year she was a Director.
4 A. Montijn-Groenewoud was appointed as Non-Executive Director per June 2016.
5 D. Welch was appointed as Non-Executive Director per May 2019.
6 D. Fraser was appointed as Non-Executive Director per May 2019.
7 H. van de Kerkhof was appointed as Non-Executive Director per October 2020.
8 The appointment of J.A. Ter Wisch ended in June 2020.
9 Per 2019 we changed the employee reference group for calculating our internal pay ratio from regional to global.
10 The 2019 numbers are restated compared to our 2019 Remuneration Report as the numbers reported in 2019 were erroneously based on the consolidated, Q4 compensation for the employees of Fertil instead of the full year.
11 In line with market practice, the calculation of the internal pay ratio is changed per 2020 to include the value of the long-term incentives (PSP/PSU).
12 Due to the change in calculation methodology per 2020, the % of change between 2019 and 2020 would not correctly reflect the actual change in the internal pay ratio.

REMUNERATION REPORT
CONTINUED

Implementation of our Remuneration Policy in 2021

Salary
Per 1 January 2021 the annual base salary of the CEO will be increased to $1,250,000 (8.7% increase). This reflects his strong contribution since promotion and the fact that his salary is closer to market.

There will be no increases for the other Executive Directors.

Annual Bonus
The bonus will be based on corporate financial performance measures (60%), strategic, personal (25%) and HSE (15%) performance measures as detailed in the table below. These will be measured over the financial year ending 31 December 2021.

The bonus opportunities remain unchanged with an at target opportunity of 75% of annual base salary for the CEO and 60% for the other Executive Directors. The maximum opportunity remains at 200% of target for all Executive Directors. The Executive Chair is not eligible for an annual bonus.

Performance Share Unit Plan
The 2021 PSU Awards will be dependent on relative TSR (60%) and additional performance measures (40%), selected from two sets of strategic incentives. (operational excellence and ESG). Further details of measures and weighting are given below and the targets for operational excellence and ESG will be disclosed in the 2021 Annual Report. Opportunities are unchanged from 2020. On-target opportunities are 125% of salary for all Executive Directors.

The 2021 awards are granted on 8 February 2021 in line with our consistent course of action.

In line with the Dutch Corporate Governance Code, awards will be subject to a two-year holding period in addition to the current three-year performance period, resulting in a total five-year period from the date of grant.

Shareholding Guidelines
The Guidelines introduced in 2019 will remain unchanged; the CEO has a requirement of 300% of salary; the other Executive Directors have a requirement of 150% of salary.

2021 Remuneration at a glance
The table below provides an overview of the 2021 Remuneration of the Executive Directors in a glance.

	Role	Executive Chair	CEO	CFO	CLHCO
Remuneration in 2021	**Annual base salary** (with effect from 1 January 2021)	$1,000,000	$1,250,000	$1,150,000	$560,000[1]
	2021 Target Bonus opportunity (as a % of annual base salary)	n/a	75%	60%	60%
	2021 Target PSU award (as a % of annual base salary)	125%	125%	125%	125%
	Share ownership guidelines (as a % of annual base salary)	300%	300%	150%	150%

[1] Based on current 80% contract; the full-time equivalent is $700,000.

REMUNERATION REPORT
CONTINUED

2021 Annual bonus performance measures

Performance measure and weighting			
Financial Metrics (applicable to all Executive Directors)	**Cash Flow (40%)**		Targets will be disclosed in the 2021 Annual Report
	Sales Volumes (20%)		Targets will be disclosed in the 2021 Annual Report
	HSE (15)%	Lost Time Injury Rate (LTIR)	0.10
		Total Recordable Incidents Rate (TRIR)	0.36
		Process Safety Incidents Rate (PSIR)	0.70
		Environmental Stewardship / EIR	0.40
Strategic and non-financial	A. El-Hoshy, CEO		Strategic target (12.5%): Focusing on successful execution of the potential strategic opportunities
			Developing Corporate Excellence and Improvement Plans via Changes to Organizational Design (12.5%)
	H. Badrawi, CFO		Strategic target (12.5%): Focusing on successful execution of the potential strategic opportunities
			IT and Cybersecurity (6.25%): Ensure a coherent and centrally managed IT organization at the Group level that is able to effectively support the business requirements
			Trade and Overall Risk Management (6.25%)
	M. de Vries, CLHCO		Organizational design, Performance management and Leadership development (12.5%): Enabling the development of OCI's Operating model by changing organizational design in combination with direction clarity facilitating a high performing culture.
			Legal and Compliance (12.5%); Optimization of legal dispute management and enhance ethics and compliance awareness to maintain the highest standards across the complete workforce.

Amendment of Long Term Incentive Plan

With support from external advisors, the Nomination and Remuneration Committee (N&RC) reviewed the LTIP with particular focus on the performance measures. For the in-flight LTIP Awards, vesting of the performance shares is dependent on OCI's TSR performance, relative to the TSR performance of the companies in our TSR peer group and no changes are proposed.

The N&RC believes that TSR remains an important performance measure to align executives' remuneration to long-term shareholder value, demonstrating the Group's absolute commitment to delivering returns. However, the Board has determined that it would prefer to align part of the long-term incentive to the strategic business priorities. Therefore, for future Awards, starting in 2021, relative TSR will continue to apply for 60% and for the remaining 40% the N&RC will select additional performance measures out of a set of strategic initiatives including both Operational Excellence measures and ESG priorities.

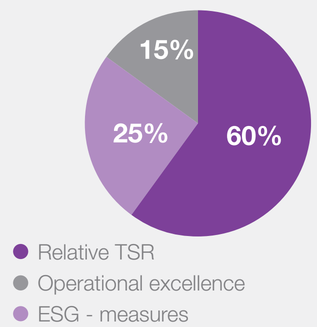
Operational excellence is a key driver for success and a translation of the strategic direction.

The ESG priorities are linked to our unique position to enable the energy transition and move towards carbon neutrality as well as our value enhancing operational and environmental initiatives.

For each Award, the Committee will select one Operational Excellence measure with a weight of 15% and two ESG-priorities with a combined weight of 25%.

LTIP Performance measure for inflight awards

LTIP Performance measure for future awards



REMUNERATION REPORT
CONTINUED

Strategic Initiatives

Measure	Description
Operational Excellence: Plant reliability	Improvement of Asset Utilization = Onstream Efficiency x Capacity Efficiency
Operational Excellence: Net Backs TBC]	Improvement of the costs associated with bringing the OCI products to the market place, controlling sales and revenues
ESG: Decarbonization roadmap	Development, implementation and execution of decarbonization plan
ESG: Decarbonization – quantitative reduction target	Reduction of our GHG emission on scope 1+2 and possibly 3
ESG : Sustainable Water Management – roadmap	Development, implementation and execution of a water management plan
ESG : Sustainable Water Management – quantitative reduction target	Do not exceed the average [T-1+T-2+T-3] water intensity per ton produced on average per year
ESG: ISO Certification	Attain certification for energy / environmental management system (ISO14001, ISO50001, etc.)
ESG-Index Rating (MSCI and Sustainalytics)	Attain improvement on MSCI ESG Index and Sustainalytics index
ESG: Diversity & Inclusion	Increase percentage of women's representation in senior positions and initiatives to increase representation of minorities
ESG: Sustainable Supplier Management	Compliance with OCI's Business Partner Code of Conduct to ensure responsible sourcing

The amendment of the performance measures for future Awards falls within the parameters set out in OCI's remuneration policy as published on our website. As such, there will be no further vote on the Remuneration Policy; shareholders will continue to have an advisory vote on the Remuneration Report.

The LTIP opportunity is unchanged and after vesting, the performance shares awarded will be subject to a further 2-year holding period in line with the Dutch Corporate Governance Code demonstrating a further commitment to the long-term sustainability of the Group.

The discretion to select the performance measures from the above set of strategic initiatives for each performance period ensures the Committee can select performance measures that are best aligned to the company's strategic priorities and long-term interests. The Committee will ensure the selected long-term performance measures do not overlap the performance measures for the annual bonus. The performance measures selected for the 2021 Awards, as granted on 8 February 2021 are fully aligned to our strategic priorities, which include operational excellence, business optimization, sustainable solutions and decarbonization. Please find further details on these performance measures in the table below:

Performance measures 2021 PSU Awards

Measure	Weight	Target definition
Relative TSR	60%	
Operational Excellence: Plant reliability	15%	Improvement of Asset Utilization = Onstream Efficiency x Capacity Efficiency
ESG: Decarbonization	15%	Development, implementation and execution of decarbonization plan
ESG: Diversity & Inclusion	10%	Increase percentage of women's representation in senior positions and initiatives to increase representation of minorities

The target level for OCI's relative TSR performance are set out in the Policy. The target levels for plant reliability, decarbonization and diversity & inclusion will be disclosed in the 2021 Remuneration Report.

REMUNERATION REPORT
CONTINUED

2021 Remuneration Scenarios

The Remuneration Committee conducts pay scenario modelling on an annual basis which investigates pay-out quantum for Executive Directors under different performance scenarios. This modelling is undertaken to ensure that the Remuneration Policy links directly with the performance of OCI and therefore, is in the interests of shareholders.

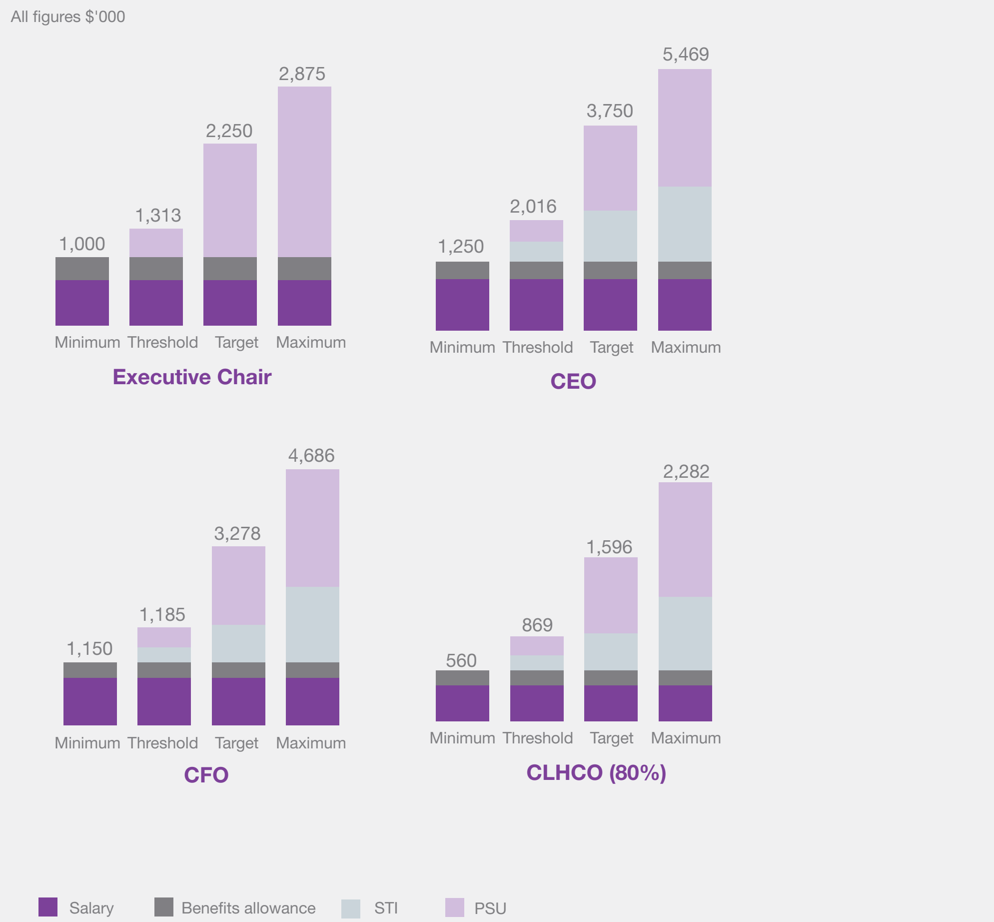
In the event that specific short-term and long-term threshold performance targets are not achieved, there will be no variable pay vesting or payout for Executive Directors for the relevant period.

The charts below illustrates how much the current Executive Directors could receive under different scenarios in 2021, assuming a constant share price (i.e. no appreciation) and no dividend payments.

Element of Remuneration	Details of assumptions
Fixed remuneration	This comprises base salary with effect from 1 January 2021. The base salary is inclusive of the 25% benefits allowance. The Executive Chair's salary amounts to $1,000,000, the CEO's salary amounts to $1,250,000, the CFO's salary $1,150,000 and the salary of the CLHCO $560,000 pro-rated on an 80% contract.
Annual Bonus	Assumes maximum opportunity of 150% of salary for the CEO and 120% of salary for the CFO and CLHCO. For target, the scenario assumes 75% of annual base salary for the CEO and 60% of annual base salary for the CFO and CLHCO. For threshold, the scenario assumes 30% of salary for the CEO and 24% of salary for the CFO and CLHCO. For minimum, the scenario assumes no pay-out of the bonus.
Performance Share Unit Plan	Assumptions apply to all Executive Directors. There is a maximum opportunity of 150% of target (187.5% of annual base salary) in conditional shares. For target, the scenario assumes 125% of annual base salary for all Executive Directors. For threshold, the scenario assumes 25% of target for all Executive Directors. For minimum, the scenario assumes 0% of target for all Executive Directors.

2021 Pay scenario analysis

Further to the pay scenario modelling conducted, the Committee concluded that the relationship between the financial and strategic priorities of the company and the performance measures set for the annual bonus as well as the PSP/PSU plan are adequate. The Committee also concluded that the objectives of the Remuneration Policy and the underlying objectives of the company are well served by the ratio between fixed and variable pay, which is for the CEO 62:38 in the threshold scenario and 23:77 in the maximum scenario.



DECLARATIONS

Introduction

This 2020 Annual Report comprises regulated information within the meaning of sections 1:1 and 5:25c of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

For the consolidated and OCI 2020 financial statements (*jaarrekening*) within the meaning of section 2:361 of the Dutch Civil Code, reference is made to the financial statements. OCI's Directors have signed the 2020 financial statements in line with section 2:101 paragraph 2 of the Dutch Civil Code.

Corporate governance statement

As referred to in article 2a of the Decree laying down additional requirements for annual reports (*Besluit inhoud bestuursverslag*) effective 1 January 2018 (the **AR Decree**), OCI is required to make a statement on corporate governance.

Information required to be included in the corporate governance statement as described in articles 3, 3a and 3b of the AR Decree can be found in the following sections of this Annual Report:

- information concerning compliance with the Code, as required by article 3 of the AR Decree, can be found in the section Compliance with the Code on page 103;
- information concerning OCI's risk management and control frameworks relating to the financial reporting process, as required by article 3a(a) of the AR Decree, can be found in the section Risk Management beginning on page 77;
- information regarding the functioning of the GM, and the authority and rights of OCI's shareholders, as required by article 3a(b) of the AR Decree, can be found in the section Shareholders' rights and meetings on page 102;
- information regarding the composition and functioning of OCI's Board and its Committees, as required by article 3a(c) of the AR Decree, can be found beginning on page 91;
- information regarding the diversity policy concerning the composition of the Board, as required by article 3a(d) of the AR Decree, can be found in the sections Board composition and independence and Diversity & Inclusion on pages 98 and 99; and
- information concerning the inclusion of the information required by the Decree Article 10 Takeover Directive (*Besluit artikel 10 overnamerichtlijn*), as required by article 3b of the AR Decree, can be found in the section Decree Article 10 Takeover Directive on page 103.

The Code was last amended with effect from 1 January 2017 and is available at the website of the Corporate Governance Monitoring Committee (http://www.mccg.nl).

In control statement

The Board is responsible for the design, implementation and operation of OCI's internal risk management and control systems. In discharging this responsibility, the Board has made an assessment of the effectiveness of OCI's internal control and risk management systems.

Based on this assessment and to the best of its knowledge and belief, the Board states that:

- there are no material failures in the effectiveness of OCI's internal risk management and control systems;
- OCI's internal risk management and control systems provide reasonable assurance that the Annual Report does not contain any errors of material importance;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of OCI's enterprise in the coming twelve months.

The above statements do not imply that our systems and procedures provide absolute assurance as to the realization of our operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

Directors' statement pursuant to article 5:25c of the Dutch Financial Supervision Act

In accordance with Article 5:25c of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the Directors declare that to the best of their knowledge:

- the 2020 financial statements (*jaarrekening*) provide a true and fair view of the assets, liabilities, financial position and results of OCI and its subsidiaries included in the consolidated statements; and
- the Board Report (*bestuursverslag*) provides a true and fair view of the situation as at 31 December 2020, and of OCI's and its group companies' state of affairs for the financial year 2020, as well as the principal risks and uncertainties that OCI faces.

DECLARATIONS
CONTINUED

Non-Financial Statement pursuant to Directive 2014/95/EU

Directive 2014/95/EU requires large companies to disclose non-financial information. This Directive has been implemented into Dutch law through the Decree disclosure of non-financial information (*Besluit bekendmaking niet-financiële informatie*) (the **NF Disclosure Decree**).

Pursuant to article 2 of the NF Disclosure Decree, OCI has included the information included in article 3 of the NF Disclosure Decree in the following sections of this Annual Report:

- a description of OCI's business model is included on page 19;
- a description, including applied procedures and the results of its policy in relation to:
  - environmental, social and employee matters is included on pages 29-76, and
  - respect for human rights is described on page 67 and in our Human Rights Policy; and
  - anti-corruption and bribery matters are described in the section Risk Management & Compliance on page 87;
- the principal risks related to the policy and how the risks are managed as described throughout the sustainability and ERM sections of this Annual Report; and
- the non-financial performance indicators which are relevant for OCI's business activities are described on pages 29-76.

Amsterdam, the Netherlands, 22 March 2021

The Board

Michael Bennett
Nassef Sawiris
Ahmed El-Hoshy
Hassan Badrawi
Maud de Vries
Sipko Schat
Jérôme Guiraud
Gregory Heckman
Robert Jan van de Kraats
Anja Montijn-Groenewoud
David Welch
Dod Fraser
Heike van de Kerkhof

Financial statements

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

$ millions	Note	31 December 2020	31 December 2019
Assets			
Non-current assets			
Property, plant and equipment	(7)	6,244.3	6,570.6
Right-of-use assets	(7)	279.4	277.5
Goodwill and other intangible assets	(8)	486.5	599.8
Trade and other receivables	(9)	3.5	4.1
Equity-accounted investees	(10)	468.7	506.9
Financial assets at fair value through other comprehensive income	(11)	30.0	33.4
Deferred tax assets	(12)	0.8	6.5
Total non-current assets		**7,513.2**	**7,998.8**
Current assets			
Inventories	(13)	293.8	308.7
Trade and other receivables	(9)	600.9	508.4
Income tax receivables	(12)	2.8	3.2
Cash and cash equivalents	(14)	686.3	600.5
Total current assets		**1,583.8**	**1,420.8**
Total assets		**9,097.0**	**9,419.6**

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED AS AT

$ millions	Note	31 December 2020	31 December 2019
Equity			
Share capital	(15)	5.6	5.6
Share premium	(15)	6,316.3	6,316.3
Reserves	(16)	(338.4)	(237.8)
Retained earnings		(4,851.8)	(4,726.6)
Equity attributable to owners of the Company		**1,131.7**	**1,357.5**
Non-controlling interests	(17)	1,540.1	1,461.2
Total equity		**2,671.8**	**2,818.7**
Liabilities			
Non-current liabilities			
Loans and borrowings	(18)	4,226.9	4,392.7
Lease obligations	(19)	248.6	244.3
Trade and other payables	(20)	25.7	30.7
Provisions	(21)	3.0	2.8
Deferred tax liabilities	(12)	515.5	490.2
Total non-current liabilities		**5,019.7**	**5,160.7**
Current liabilities			
Loans and borrowings	(18)	189.7	269.6
Lease obligations	(19)	43.6	41.0
Trade and other payables	(20)	1,003.6	991.3
Provisions	(21)	158.3	129.5
Income tax payables	(12)	10.3	8.8
Total current liabilities		**1,405.5**	**1,440.2**
Total liabilities		**6,425.2**	**6,600.9**
Total equity and liabilities		**9,097.0**	**9,419.6**

The notes on pages 126 to 169 are an integral part of these consolidated financial statements.

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER

$ millions	Note	2020	2019
Revenue	(27)	3,474.1	3,031.7
Cost of sales	(22)	(3,062.0)	(2,708.9)
Gross profit		**412.1**	**322.8**
Other income	(23)	17.6	5.8
Selling, general and administrative expenses	(22)	(219.3)	(219.1)
Other expenses	(24)	(23.4)	(4.5)
Operating profit		**187.0**	**105.0**
Finance income	(25)	212.5	60.8
Finance cost	(25)	(412.4)	(387.7)
Net finance cost	(25)	**(199.9)**	**(326.9)**
Income from equity-accounted investees (net of tax)	(10)	(36.7)	(56.6)
Profit / (loss) before income tax		**(49.6)**	**(278.5)**
Income tax	(12)	(44.5)	(21.7)
Net profit / (loss)		**(94.1)**	**(300.2)**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Movement in hedge reserve	(16)	5.9	0.2
Currency translation differences	(16)	(146.9)	4.6
Currency translation differences from equity-accounted investees	(10)	1.6	(0.2)
Items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income	(16)	(3.7)	(3.4)
Other comprehensive income, net of tax		**(143.1)**	**1.2**
Total comprehensive income		**(237.2)**	**(299.0)**
Profit / (loss) attributable to:			
Owners of the Company		(177.7)	(334.7)
Non-controlling interests	(17)	83.6	34.5
Net profit / (loss)		**(94.1)**	**(300.2)**
Total comprehensive income attributable to:			
Owners of the Company		(282.1)	(329.9)
Non-controlling interests	(17)	44.9	30.9
Total comprehensive income		**(237.2)**	**(299.0)**
(Loss) / earnings per share (in USD)			
Basic (loss) / earnings per share	(26)	(0.847)	(1.598)
Diluted (loss) / earnings per share	(26)	(0.847)	(1.598)

The notes on pages 126 to 169 are an integral part of these consolidated financial statements.

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

$ millions	Note	Share capital (15)	Share premium (15)	Reserves (16)	Retained earnings (15)	Equity attributable to owners of the Company	Non-controlling interests (17)	Total equity
Balance at 1 January 2019		**5.6**	**6,316.3**	**(249.0)**	**(5,065.6)**	**1,007.3**	**469.8**	**1,477.1**
Net profit / (loss)		-	-	-	(334.7)	(334.7)	34.5	(300.2)
Other comprehensive income		-	-	4.8	-	4.8	(3.6)	1.2
Total comprehensive income		**-**	**-**	**4.8**	**(334.7)**	**(329.9)**	**30.9**	**(299.0)**
Impact difference in profit sharing non-controlling interests	(17)	-	-	-	-	-	10.5	10.5
Dividend to non-controlling interests	(17)	-	-	-	-	-	(143.3)	(143.3)
Treasury shares sold / delivered	(16)	-	-	7.7	(7.7)	-	-	-
Treasury shares acquired	(16)	-	-	(1.3)	-	(1.3)	-	(1.3)
Business combination Fertiglobe	(15)	-	-	-	674.8	674.8	1,093.3	1,768.1
Share-based payments	(15)	-	-	-	6.6	6.6	-	6.6
Balance at 31 December 2019		**5.6**	**6,316.3**	**(237.8)**	**(4,726.6)**	**1,357.5**	**1,461.2**	**2,818.7**
Net profit / (loss)		-	-	-	(177.7)	(177.7)	83.6	(94.1)
Other comprehensive income		-	-	(104.4)	-	(104.4)	(38.7)	(143.1)
Total comprehensive income		**-**	**-**	**(104.4)**	**(177.7)**	**(282.1)**	**44.9**	**(237.2)**
Impact difference in profit sharing non-controlling interests	(17)	-	-	-	-	-	17.4	17.4
Dividend to non-controlling interests	(17)	-	-	-	-	-	(49.2)	(49.2)
Reversal of dividend to non-controlling interests	(17)	-	-	-	-	-	125.4	125.4
Treasury shares sold / delivered	(16)	-	-	3.8	(3.8)	-	-	-
Business combination Fertiglobe	(15)	-	-	-	48.3	48.3	(59.6)	(11.3)
Share-based payments	(15)	-	-	-	8.0	8.0	-	8.0
Balance at 31 December 2020		**5.6**	**6,316.3**	**(338.4)**	**(4,851.8)**	**1,131.7**	**1,540.1**	**2,671.8**

The notes on pages126 to 169 are an integral part of these consolidated financial statements.

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER

$ millions	Note	2020	2019
Net profit / (loss)		**(94.1)**	**(300.2)**
Adjustments for:			
Depreciation and amortization	(7), (8)	592.2	544.7
Interest income	(25)	(4.4)	(5.9)
Interest expense	(25)	307.5	311.8
Net foreign exchange loss and others	(25)	(103.2)	21.0
Fertiglobe business combination		(13.3)	-
Share in income of equity-accounted investees	(10)	36.7	56.6
Equity-settled share-based payment transactions	(15)	8.0	6.6
Impact difference in profit-sharing non-controlling interests	(15)	17.4	10.5
Income tax expense	(12)	44.5	21.7
Changes in:			
Inventories	(13)	18.2	(50.0)
Trade and other receivables	(9)	(120.4)	90.7
Trade and other payables	(20)	214.2	(42.4)
Provisions	(21)	27.6	0.6
Cash flows:			
Interest paid		(283.5)	(274.1)
Lease interest paid	(19)	(8.6)	-
Interest received		4.4	5.8
Income taxes paid	(12)	(25.4)	(59.9)
Cash flow from / (used in) operating activities		**617.8**	**337.5**
Investments in property, plant and equipment	(7)	(262.6)	(300.0)
Investments in intangibles		(0.6)	-
Cash acquired in business combination	(2.2.1)	-	45.8
Dividends from equity-accounted investees	(10)	3.0	1.6
Cash flow from / (used in) investing activities		**(260.2)**	**(252.6)**

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

FOR THE YEARS ENDED 31 DECEMBER

$ millions	Note	2020	2019
Purchase of treasury shares	(16)	-	(0.7)
Proceeds from borrowings	(18)	2,070.4	1,765.5
Repayment of borrowings	(18)	(2,396.0)	(1,654.4)
Newly incurred transaction costs / call premium	(18)	(51.2)	(19.0)
Payment of lease obligations	(19)	(37.3)	(30.1)
Dividends paid to non-controlling interests	(15), (17)	(43.2)	(6.1)
Settlement FX derivatives		45.6	-
Net debt settlement business combination Fertiglobe	(2.2.1)	166.8	-
Cash flows from / (used in) financing activities		**(244.9)**	**55.2**
Net cash flow		**112.7**	**140.1**
Net increase / (decrease) in cash and cash equivalents		**112.7**	**140.1**
Cash and cash equivalents at 1 January		600.5	460.7
Effect of exchange rate fluctuations on cash held		(26.9)	(0.3)
Cash and cash equivalents at 31 December		**686.3**	**600.5**

For non-cash movements in loans and borrowings and lease obligations, reference is made to notes 18 and 19, respectively.

The notes on pages 126 to 169 are an integral part of these consolidated financial statements.

Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER

1. General

OCI N.V. ('OCI' or 'Company') was established on 2 January 2013 as a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI is registered in the Dutch commercial register under no. 56821166 dated 2 January 2013. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

The Group is primarily involved in the production of natural gas-based products.

2. Basis of preparation

2.1 General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU).

The consolidated financial statements have been prepared on the historical cost convention, except when otherwise indicated.

The financial year of the Group commences on 1 January and ends on 31 December.

The Company's functional currency is the Euro ('EUR'). The group presentation currency is the US dollar, as the Group's major foreign operations have the US dollar as their functional currency. All values are rounded to the nearest tenth of a million (in millions of USD), except when stated otherwise.

These financial statements have been authorized for issue by the Company's Board of Directors on 22 March 2021. These consolidated financial statements are subject to adoption by the Annual General Meeting of Shareholders.

2.2 Business combinations

2.2.1 Fertiglobe business combination

On 30 September 2019, the Group and Abu Dhabi National Oil Company ("ADNOC") completed a transaction to combine ADNOC's fertilizer business into OCI's Middle East and North Africa ("OCI MENA") nitrogen fertilizer platform.

As part of the transaction, Fertiglobe, a subsidiary of the Group obtained OCI MENA under common control and 100% of the voting powers and economic returns from Ruwais Fertilizer Industries Ltd. ("Fertil"), a previously wholly owned subsidiary of ADNOC. Fertil has been consolidated by the Group from 30 September 2019. Fertil is based out of the Emirate of Abu Dhabi, United Arab Emirates and is engaged in processing feedstock gas to produce nitrogen fertilizers. In exchange, the Group transferred 42% of the total share capital of Fertiglobe to ADNOC. With the acquisition of Fertil, Fertiglobe will become the largest producer of nitrogen fertilizers in the MENA region.

The accounting for this business combination has been disclosed in our 2019 consolidated financial statements. As previously disclosed the accounting for this business combination at the end of 2019 was still provisional in respect of the accounting for the net debt settlement ('post-closing adjustment'). On 31 March 2020 the Company signed a final settlement with ADNOC for the post-closing adjustment which is considered to be an adjustment to the consideration transferred in this transaction. In our 2019 consolidated financial statements a settlement receivable was included of USD 49.7 million (which represented the uncontested amount at the time). In the final settlement a compensation of USD 178.0 million has been agreed with ADNOC as post-closing adjustment (of which USD 166.8 million was received in cash).

The measurement period adjustments recognized, compared to the 2019 consolidated financial statements, resulted in a decrease of goodwill (USD 115.1 million), trade and other receivables (USD 49.7 million) and non-controlling interests (USD 11.3 million) and an increase of cash (USD 166.8 million), which resulted in the identification of a gain on this transaction of USD 13.3 million.

Goodwill arising from the business combination has been recognized as follows:

$ millions	
Consideration transferred	1,057.5
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities	710.6
Fair value of identifiable net assets	(1,603.4)
Additional consideration received	(178.0)
Gain on transaction*	(13.3)

* Due to the final post-completion settlement between the Company and ADNOC, the total consideration transferred (USD1,590.1 million) is less than the fair value of the identifiable net assets (USD1,603.4 million), resulting in a gain on purchase of USD 13.3 million which is recorded in the profit or loss.

As per 30 September 2020, the Company finalized the Purchase Price Allocation ('PPA'). The finalization of the PPA did not result in any changes to the previously reported numbers for this business combination.

As part of the transaction, ADNOC and OCI agreed on several adjustments in the consideration for indemnities related to potential tax and legal exposures for both parties. Such indemnities could lead to a future settlement between both parties if such items materialize. The fair value of these contingent consideration arrangements as per acquisition date was assessed based on the estimated impact and likelihood (which are mostly supported by third party opinions). During the remeasurement period, the aggregate fair value of the contingent consideration assets and liabilities was assessed to be zero. Reference is made to note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

2.2.2 Completed Demerger of the Engineering & Construction Business in 2015

OCI demerged the Company's Engineering & Construction business in March 2015 ('the Demerger'). The ultimate parent company holding the demerged Engineering & Construction activities and that became listed on the Cairo and Dubai stock exchanges directly after the demerger is Orascom Construction PLC ('OC'). The Demerger was completed on 7 March 2015.

Ongoing relationship between OCI N.V. and Orascom Construction PLC

After the Demerger, OCI and OC each operate as separately listed companies.

Construction contracts

Subsidiaries of OC and OCI are still party to continuing commercial arrangements.

Conditional sale agreement

Orascom Construction Industries S.A.E ('OCI S.A.E.') was the former parent company of the OCI Group, which was replaced by OCI N.V. in 2013 and was delisted from the Egyptian Stock Exchange in 2016. OCI S.A.E. acts as the sub holding of several operating fertilizer companies of OCI NV. At the time of the demerger, OCI S.A.E. also held certain construction activities that could not be legally transferred to Orascom Construction PLC as part of the Demerger due to legal, regulatory, or other considerations.

In order to have the Engineering & Construction businesses derecognized from the OCI N.V. consolidated financial statements, a conditional sale agreement was entered into between the OCI Group and the OC Group. The agreement stipulates that the management of construction activities, as well as the economic effect of all related risks and rewards (including the right to any dividends), would be passed from OCI SAE to OC effective 30 September 2014 until OCI SAE's construction activities are terminated, or until OCI SAE's construction activities are demerged into a separate construction entity called 'Construction Egypt' that is then transferred to OC.

In addition to management, OC also received the right to vote on the board of directors of OCI S.A.E. in matters related to the construction business. This transfer of economic benefits, liabilities and rights will remain in force until the transfer of the 'Construction Egypt' shares have been legally formalized. Any new awarded projects will be sought through a wholly-owned subsidiary of OC.

Tax indemnity agreement

On 6 February 2015, OC and OCI S.A.E. entered into a tax indemnity agreement. The agreement sets out each party's obligations in respect of the tax claim lodged by the tax authorities in Egypt relating to the sale of the OCI S.A.E.'s cement business to Lafarge SA in 2007 (further reference is made to note 28). The parties have agreed to equally split any liability incurred by OCI S.A.E. in relation to the Tax Claim (including the costs of dealing with the Tax Claim). In addition, to the extent that any recoveries are made in relation to the tax claim, including interest received on the funds, these will be shared between the parties on a 50%/50% basis (excluding the amount of EGP 1.9 billion (refund received in March 2015) for which it was announced that the rights will be transferred to Tahya Misr social fund in Egypt).

2.3 COVID-19 impact

The outbreak of COVID-19 continues to impact the global economy and markets. However, our business operations including our global supply chain and distribution channels have continued without interruption throughout the pandemic to-date, as our industries and our products have been designated as essential by the respective governments of each of our markets to ensure the uninterrupted supply of goods and other essential products. We noted decreasing selling prices for all our products over the course of the second quarter of 2020 and recovery of selling prices over the course of the third and fourth quarter of 2020, on the back of increased global energy prices, driving lower global operating rates and resulting in lower supply. Based on the recent strong recovery of the market, we expect this will not impact the long term outlook of our business and the valuation of our assets. Global urea and ammonia prices have increased by 30% in the first two months of 2021 while the outlook for Methanol continues to improve, Methanol prices have almost tripled since mid-2020 due to tight balance in the market as a result of shutdown of high-cost Methanol capacity and healthy industrial demand.

At the outset of the COVID-19 outbreak, we established an internal COVID-19 taskforce to ensure safety of our employees and business continuity. OCI applied strict protective measures, including sanitation, personal protection equipment, social distancing and thermal testing prior to accessing any group locations. The status of returning to workplace differs per jurisdiction. Currently the majority of the locations are now at 50%-70% employee occupancy rates. As our plants are heavily automated, essential on-site operating and logistics personnel can be limited and administrative and operational support personnel have worked remotely in order to maintain social distancing following governmental guidelines.

Although the long-term effects of COVID-19 are still unclear, our current outlook is that our financial and operating performance remains solid. We have operated our business in a remote working environment and could continue to do so for an extended period of time, if necessary. Developments in each jurisdiction are being closely monitored and protocols are flexible to allow for rapid adjustments as needed. The impressive resilience of our staff throughout the period gives all local management teams confidence to revert to a work-from-home policy again if needed, without interruptions to our operations and supply chain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies

The Group has applied the accounting policies set out in note 3 consistently over both periods presented in these consolidated financial statements.

3.1 Consolidation

The consolidated financial statements include the financial statements of OCI, its subsidiaries and the Group's interests in associates and joint ventures.

Subsidiaries

Subsidiaries are all companies to which OCI is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any investment retained in the former subsidiary is recognized at fair value. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. If it becomes an associate or joint venture, the interest retained is subsequently measured in accordance with the equity method. The principal subsidiaries are listed in note 34.

Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests is presented as a separate component in equity. 'Profit or loss' and 'Total comprehensive income' attributable to the non-controlling interests are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interests is measured at its proportionate share of the acquiree's identifiable net assets at the balance sheet date. Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2 Equity-accounted investees

Associates

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, and are presumed to exist when the Group holds 20% to 50% of the shareholding and related voting rights of the other entity. Associates are accounted for under the equity method. The Group's share of profit or loss of an associate is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases. Investments in associates with negative shareholder's equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for under the equity method that do not result from profit or loss are recognized in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Unrealized gains on transactions between two associates are not eliminated.

Joint ventures

Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor. Those joint arrangements that are assessed as joint ventures are accounted for using the equity method. Joint operations are accounted for using line by line accounting.

Joint ventures are accounted for under the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted subsequently for the Group's share in the post-acquisition profit or losses and movements in comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

3.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date, fair value of the assets and liabilities assumed and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the classification of particular financial assets and financial liabilities assumed as, at fair value through profit or loss, or at amortized cost or as a financial asset measured at fair value through other comprehensive income. The Group makes an assessment of whether embedded derivatives of the acquiree should be separated from their host contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

The consideration transferred in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The Group recognizes the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

Changes in the fair value of consideration that are not measurement period adjustments shall be adjusted as follows:

- Contingent consideration classified as equity shall not be remeasured.
- Other contingent consideration shall be measured at fair value with changes recognized in profit or loss.

3.4 Foreign currency

Foreign currency transactions

The financial statements of subsidiaries and joint operations are prepared in the currencies which are determined based on the primary economic environment in which they operate ('the functional currency'). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are revalued into the entity's functional currency at the then prevailing closing-rates. Exchange differences arising on the settlement and translation of monetary items are included in profit or loss for the period except when deferred to other comprehensive income for financial assets at fair value through other comprehensive income and the effective part of qualifying cash flow hedges.

Foreign currency translation

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the US dollars are translated into US dollars using the exchange rates prevailing at the balance sheet date. Income and expense items are translated using exchange rates prevailing at the date of the transactions. Investments in joint ventures and associates with a functional currency other than the US dollars are translated into US dollars using exchange rates prevailing on the balance sheet date. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries, joint arrangements and associates are included in other comprehensive income, as 'Currency translation differences'. When a foreign operation is (partly) disposed of or sold, (the proportionate share of) the related currency translation differences that were recorded in other comprehensive income are recycled to profit or loss as part of the gain or loss on disposal or sale. Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are considered as assets and liabilities denominated in the functional currency of the foreign subsidiary.

3.5 Financial instruments

Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, at fair value through profit or loss ('FVTPL') and at fair value through other comprehensive income ('FVOCI'). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Amortized cost

Trade and other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the 'hold-to-collect' business model criteria for amortized cost measurement. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition is recognized directly in profit or loss.

The Group sells certain trade receivables under a securitization agreement to a third party. For these selected debtors the Group will use the 'hold-to-collect-and-sell business model' as defined under IFRS 9 and will measure these receivables going forward at FVOCI.

Fair value through profit or loss ('FVTPL')

Derivative financial instruments held by the Group are classified in the category FVTPL, unless the instrument is designated in a hedge relationship and the hedge meets the requirements for hedge accounting. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Fair value through other comprehensive income ('FVOCI')

Equity investments, previously recognized as available-for-sale assets, are measured at FVOCI, based on the irrevocable election made by the Group. The Group elected this approach as these investments are not held for trading. Movements in the carrying amount are recognized in other comprehensive income, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognized in the profit or loss. On derecognition the cumulative gain or loss recognized in other comprehensive income is not reclassified from equity to profit or loss. Dividend income is recognized in profit or loss when the Group's right to receive payment is established.

Gas purchase contracts

The Group has purchase contracts in place to procure natural gas for its production activities. These contracts are not accounted for as financial instruments as they are excluded for the scope of IFRS 9 through the "own use exemption". The own use exemption applies to contracts that are entered into and continue to be held for the receipt of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

Financial liabilities

Financial liabilities, like loans and borrowings and trade and other payables, are measured at amortized cost, unless the financial liability:

- is a derivative at FVTPL;
- arose from the transfer of a financial assets that does not qualify for derecognition or if the continuing involvement approach applies;
- is a financial guarantee contract;
- is a commitment to provide a loan at a below-market interest rate; and
- is a contingent consideration resulting from a business combination to which IFRS 3 applies, measured at FVTPL.

Impairment

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. Based on the assessment undertaken on historical data, there's limited impact from the expected credit loss model. The Group will evaluate any possible impact going forward. For the assessment of loss allowance for expected credit losses, a simplified model for trade receivables is applied. The loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. They are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- the contractual cash flows that are due to an entity under the contract; and
- the cash flows that the holder expects to receive.

In order to assess the lifetime ECLs for trade receivables, both historic credit losses experience and forward-looking information is assessed.

For other receivables (and other financial assets) the Group measures the loss allowance at an amount equal to the lifetime ECLs if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the reporting date, the credit risk of other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Restricted cash comprises cash balances where specific restrictions exist on the Company's ability to use this cash. Restricted cash includes cash deposited as collateral for letters of credit issued by the Company. Restricted funds include bank balances reserved by the lending institution for installments of loan payments to be made in the near future.

3.7 Share capital

Ordinary shares are classified as equity. Share premium is the excess amount received over the par value of the shares. Incremental costs directly attributable to the issue of new shares are recognized in equity as a deduction, net of tax, from the proceeds. When ordinary shares are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a deduction from 'Reserves'. Repurchased shares are classified as treasury shares and are presented in 'Reserves'. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in 'Reserves', and the resulting surplus or deficit on the transaction is presented in share premium.

3.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes cost of material, direct labour, other directly attributable cost incurred to bring the asset ready to its intended use, cost of asset retirement obligations and any capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred. Spare parts of property, plant and equipment are recognized under property, plant and equipment if the average turn-over exceeds 12 months or more, otherwise they are recognized within inventories.

Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its final category of property, plant and equipment. Assets under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis through profit or loss over the estimated useful lives of each component, taking into account any residual values. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for items of property, plant and equipment are as follows:	Years
Buildings	10 - 50
Plant and equipment	5 - 25
Fixtures and fittings	3 - 10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary by the Group.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognized as part of the cost of those assets. All other borrowing costs are recognized as 'Finance cost' in the period in which they are incurred.

3.9 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the Groups' share of identifiable assets acquired and liabilities assumed of businesses acquired that were directly attributable to the legal entities comprising the Group. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Goodwill and intangible assets'. Goodwill on acquisitions of entities that qualify as associates or joint ventures is included in 'Equity-accounted investees'. Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditures on internally generated goodwill and other intangible assets is recognized in profit or loss as incurred.

Other intangible assets

Other intangible assets with a finite useful life (licenses, customer relations, brand names and other rights that are acquired separately or through business combinations) are amortized on a straight-line basis in profit or loss over their estimated useful lives taking into account any residual value and impairment losses, from the date that they are available for use.

The estimated useful lives of intangible assets are as follows:	Years
Licenses and trade names	3 - 10
Purchased rights and other	4 - 10

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

3.10 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories of raw materials, spare parts and supplies are based on the weighted average principle or the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

3.11 Impairment of assets

Non-derivative financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a non-derivative financial asset or a group of non-derivative financial assets is impaired. A non-derivative financial asset is considered to be impaired if the counterparty does not meet the agreed payment terms or when evidence exists that the counterpart will not be able to do so. The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is recognized for the amount by which the carrying amount of a non-derivative financial asset exceeds its estimated discounted future cash flows using the original interest rate. Impaired non-derivative financial assets are tested periodically to determine whether the estimated future cash flows have increased and the impairment has to be reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

In the case of a financial asset classified as financial asset at fair value through other comprehensive income, a significant or prolonged decline in the fair value of the financial asset at fair value through other comprehensive income below its acquisition cost is considered as an indicator that the financial asset at fair value through other comprehensive income is impaired. If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments classified as financial asset at fair value through other comprehensive income are not reversed through profit or loss.

Derivative financial assets

Derivative financial assets are measured at fair value and the Group investigates whether the counterparty's creditworthiness gives rise to an impairment. When determining the fair value, credit value and debit value adjustments are taken into account.

Non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit by continued use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment be (partially) reversed. Impairment losses on goodwill are not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

3.12 Provisions

Provisions are recognized when a present legal or constructive obligation based on past events exists, and it is probable that an outflow of economic benefits is required to settle the obligation. If the outflow is probable, but cannot be determined reliably, the obligation is disclosed. The non-current part of provisions is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost.

Asset retirement obligations

The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to clean-up of contamination of land, and the estimate can be made reliable. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning. The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability. Considering that maintenance, turnarounds and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility indefinitely (also taken into account the possible changes in technology and availability of raw materials).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

Claims and contingencies

The Group is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Company. If it is probable that an obligation to the Group exists, which will result in an outflow of resources and the amount of the outflow can be reliably estimated, a provision is recognized.

Donation provision

The donation provision is recognized as a constructive obligation, the amount is undiscounted as the Group does not know the exact settlement date.

3.13 Revenue from contracts with customers

Revenues are recognized to depict the transfer of goods or services to customers in the ordinary course of the Group's activities, in the amounts that reflect the considerations to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the Group satisfies the performance obligations by transferring promised goods or services to customers. The main performance obligation of the Group is the transfer of the Group's fertilizer and chemical products to customers. Revenue from the sale of fertilizer and chemical products are the two main revenue streams of the Group.

Goods are transferred when the customer obtains control of the asset. The timing of when control transfers depends on the sales and shipping terms agreed. Depending on its nature and the agreed sales terms, a performance obligation is either satisfied at certain point in time or over a certain period of time.

Revenue is recognized net of expected discounts and rebates to customers. Accumulated experience and management judgement is used to estimate and provide for the discounts and rebates and revenue is only recognized to the extent that it is highly probably that a significant reversal will not occur. The Group does not have any contracts where the period of time between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, no adjustment is made to transaction prices for the time value of money.

3.14 Government grants

An unconditional government grant related to an asset is recognized in profit or loss as 'Other income' when the grant becomes receivable. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Grants that compensate the Group for expenses incurred are recognized in profit or loss as 'Other income' on a systematic basis in the periods in which the expenses are recognized. Other government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as 'Other income' on a systematic basis over the useful life of the asset.

European Emission Allowances

The Group receives European Emission Allowances ("EUAs") as a result of its industrial activities in the Netherlands. The grant of these allowances is within the scope of IAS 20 Government Grants. Upon initial recognition, the EUA's are recognized at cost. Concurrently, a liability is recognized for the obligation to refund the allowances for CO2 emissions during the compliance period. In the event that a deficit in EUAs is identified, the Group has to purchase additional EUAs on the commodity markets. Any deficit in EUAs is therefore measured at fair value through profit or loss.

3.15 Lease accounting

Whether an arrangement is, or contains a lease is assessed at the commencement date of the lease. In general, an arrangement is considered to be or to contain a lease when all of the following apply:

- there is an identified asset;
- OCI obtains substantially all economic benefits from the use of the asset; and
- OCI can direct the use of the identified asset.

Lease obligations are recognized based on the present value of the future minimum lease payments. Right-of-use assets are valued equal to the lease liabilities. As leases do not easily provide for an implicit rate, OCI uses the incremental borrowing rate. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

For leases, each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the term of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

OCI has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For assets in the class leases of offices and buildings, we account for the lease and non-lease components separately. For these types of leases the allocation of the consideration between lease and non-lease components is based on the relative stand-alone prices of lease components included in the lease arrangements. Leases are presented as 'Right-of-use assets' and 'Lease obligations'.

Short term leases (less than 12 months) or low value leases (less than USD 5,000) are expensed through the statement of profit or loss as incurred.

Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

3.16 Finance income and cost

Finance income comprises:

- interest income on funds invested (including on financial assets at fair value through other comprehensive income);
- gains on the disposal of financial assets at fair value through other comprehensive income;
- dividend income;
- fair value gains on financial assets at fair value through profit or loss;
- gains on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance cost comprise:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- interest expense related to lease obligations;
- losses on disposal of financial assets at fair value through other comprehensive income;
- fair value losses on financial assets at fair value through profit or loss;
- loss on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss and expensed as incurred. Foreign currency gains and losses are recognized on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Employee benefits

Defined contribution plan

Certain Group subsidiaries provide pension plans, end of service remuneration plans and long-term service benefits. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group long-term employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on triple-A ('AAA') credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. OCI recognizes termination benefits when OCI is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when OCI is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period (the vesting period) that the employees render service and becomes unconditionally entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For cash-settled share-based compensation plans and share-based compensation plans with cash alternatives the liability is remeasured at each balance sheet date during the vesting period and for share option plans also during the exercise period.

3.18 Income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from the declaration of dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

3. Summary of significant accounting policies (continued)

Current income tax receivable and payable are offset when there is a legally enforceable right to offset and when the current income tax relates to the same fiscal authority.

Deferred tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements ('balance sheet' method). Deferred tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also, no deferred income tax is recognized regarding the initial recognition of goodwill and regarding investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date, and reflects uncertainty related to income taxes, if any. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

In cases where it is concluded it is not probable that tax authorities will accept a tax treatment, the effect of the uncertainty is reflected in the recognition and measurement of tax assets and liabilities or, alternatively, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the company to change its judgment regarding the adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax expense in the period during which such a determination is made.

3.19 Segment reporting

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker ('CODM') to make decisions about resource allocation to the segment and to assess its performance and for which discrete financial information is available. The Group determines and presents operating segments on the basis of information that internally is provided to the CODM during the period. Operating segments are grouped into reporting segments based on similar economic environments and similar products.

3.20 Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated applying average exchange rates. Currency translation differences on cash are shown separately in the consolidated statement of cash flows. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as acquisition of subsidiary, net of cash. Cash flows relating to capitalized borrowing cost are presented as cash flows from operating activities. Cash flows from discontinued operations / assets held for demerger are presented separately from the cash flows from continuing operations.

3.21 Earnings per share

Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. Regarding equity-settled share option plans it is assumed that all outstanding plans will vest. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding. This is the number of options multiplied by the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

4. New accounting standards and policies

On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations. These new accounting standards, amendments and revisions to existing standards and interpretations are subject to endorsement by the European Union.

4.1 Standards, amendments, revisions and interpretations that became effective to OCI during 2020

Currently there are no standards and interpretations that became effective to OCI during 2020.

4.2 Standards, amendments, revisions and interpretations not yet effective to OCI

IFRS standards and interpretations thereof not yet in force which may apply to the future Group's consolidated financial statements are being assessed for their potential impact. Currently there are no standards and interpretations not yet effective that would have a significant impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

5. Critical accounting judgment, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods. As a result of the outbreak of COVID-19 in 2020, all our critical accounting judgments, estimates and assumptions have been reviewed and updated when necessary following this situation.

The most critical accounting policies, involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements, are the following:

Goodwill and other intangible assets

Intangible assets with finite useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. For intangible assets with finite useful lives, OCI assesses annually or more frequently whether indicators exist that suggest the intangible asset might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of intangible assets, OCI makes estimates and assumptions about future cash flows based on the value in use.

In doing so, OCI also makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows. OCI tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use.

In determining the recoverable amount, OCI makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital ('WACC') and future inflation rates.

Property, plant and equipment

Depreciation is calculated using the 'straight-line' method based on the estimated useful lives, taking into account any residual values. Management makes estimates regarding the useful lives and residual values and assumes that depreciation takes place on a 'straight-line' basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. OCI assesses annually, or more frequently, whether indicators exist that suggest that an item of property, plant and equipment might be impaired by comparing the recoverable amounts with their carrying amounts.

In determining the recoverable amounts of property, plant and equipment, OCI makes estimates and assumptions about future cash flows based on the value in use. The discount rate to be used in order to calculate the net present value of the future cash flows in the impairment analysis is based on the WACC.

Financial instruments

The fair value of financial instruments traded in active markets (financial instruments in the fair value hierarchy level 1) is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market with observable market prices (financial instruments in the fair value hierarchy level 2) is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate, or on a yield-curve based on market conditions existing at the balance sheet date. The fair value of borrowings and interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. If the financial instrument contains a floating interest rate, the future expected interest rates are determined based on forward rates. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. Gas price option and gas swap contracts are valued using applicable market yield curves.

All inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable. The net carrying amount of trade receivables and trade payables is assumed to approximate the fair value due to the short-term nature. The fair value of financial instruments with no observable market prices (financial instruments in the fair value hierarchy level 3) is based on assumptions that market participants would use when pricing these assets or liability, including assumptions about risk. Assumptions about risk include the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and the risk inherent in the inputs to the valuation technique, including a risk adjustment when there is significant measurement uncertainty.

The fair value of non-current financial liabilities is estimated by discounting the future cash flows using original effective yield-curves. Unlisted equity securities in the financial assets at fair value through other comprehensive income category (financial instruments in the fair value hierarchy level 3) are measured at cost less impairments. A significant and prolonged decline in the fair value of a financial asset at fair value through other comprehensive income below its acquisition cost is considered as an indicator that the financial asset at fair value through other comprehensive income is impaired. If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative losses previously recognized in other comprehensive income is recognized in the profit or loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

5. Critical accounting judgment, estimates and assumptions (continued)

Impairment financial instruments (including trade receivables)

Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy, or has failed on the repayments of principal and interest. In other circumstances OCI uses judgment to determine whether financial assets may be impaired. OCI uses judgment to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. For listed equity securities in the financial assets at fair value through other comprehensive income category, the Group uses the assumption that if the market value declined by more than 25 percent and more than 6 months, the asset is assumed to be impaired.

For unlisted equity securities in the financial assets at fair value through other comprehensive income category, an impairment test is performed if objective evidence becomes available to the Group that the asset might be impaired. For debt-securities, an impairment trigger exists when the counterpart fails to meet its contractual payment obligations or there is evidence that the counterpart has encountered financial difficulties. The impairment is determined based on the carrying amount and the recoverable amount.

The recoverable amount is determined as the present value of estimated future cash flows using the original effective interest rate.

Inventories

In determining the net realizable value of inventories, OCI estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, OCI makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of specific goods and spare parts and the impact of new environmental legislation).

Provisions

Recognition of provisions include significant estimates, assumptions and judgments. IFRS requires only those provisions to be recognized if there is an expected outflow of resources and if the cost of these outflows can be estimated reliably. Accordingly, management exercises considerable judgment in determining whether it is more likely than not that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. These judgments are subject to change as new information becomes available. The required amount of a provision may change in the future due to new developments in the matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, the Group may incur charges in excess of the recorded provisions for such matters.

Provisions for asset retirement obligations, represent estimated costs of decommissioning. Due to the long time period over which future cash outflows are expected to occur, including the respective interest accretion, assumptions are required to be made. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements. The Group has not recognized any asset retirement obligations because a reliable estimate of the amount of the obligations cannot be made.

With respect to legal cases, the Group has to estimate the outcome. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. The Company periodically reviews the status of these proceedings with both the internal and external legal counsels.

Income taxes

OCI is subject to income taxes in several jurisdictions. Estimates are required in determining the group-wide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made. OCI recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which OCI operates and the period over which deferred tax assets are expected to be recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss.

Leases

The assessment of whether a contract is or contains a lease requires judgment with respect to whether the lessor has substantive substitution rights, who obtains economic benefits from use of the asset and who takes the 'how and for what purpose' decisions during the period of use. Judgment is also applied in order to assess whether the entity will exercise any extension or cancelation options of a lease. The group applies judgments in order to determine the incremental borrowing rate in order to calculate the lease liabilities.

Control over investees

In determining whether OCI shall consolidate certain investments in joint arrangements, OCI makes assumptions about whether certain decision rights are substantive or protective in nature. In doing so, OCI applies judgment regarding shareholder agreements it has with those other investees. If OCI determines it holds the majority of the substantive decision rights, it assumes that it holds power over the investee. OCI also makes assumptions whether it is exposed to variable returns and whether these are linked to the power OCI holds. The linkage is tested by making assumptions whether OCI might be acting as a principal rather than an agent. If OCI meets all three criteria, OCI assumes it controls the investee.

Liquidity risk

As part of the preparation of the financial statements, the Company has assessed its liquidity risk and going concern. Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates and the ability to arrange financing and obtain waivers for potential covenant breaches.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

6. Financial risk and capital management

Overview

The Group has exposure to credit, liquidity and market risks from financial instruments. These risks arise from exposures that occur in the normal course of business and are managed on a consolidated company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks, additionally it also includes the Group's management of capital.

Risk management framework

The Board has oversight responsibility on the establishment and monitoring of the Group's risk management framework. Senior (local) management is responsible for the effective operation of the internal risk management and control systems. The Audit and Risk department is responsible for the facilitation and supervision of the Risk Management function, compliance with OCI Internal Control Framework and supports the Board in the exercise of their aforementioned risk management duties.

The Group's risk management policies and practices are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's business activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Audit and Risk Department. The Audit and Risk Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The Company mitigates the exposure to credit risk on outstanding cash balances by placing funds at multiple financial institutions with a sufficient credit rating. The Group's exposure to customer credit risk is monitored and mitigated by performing credit checks before selling any goods. No collateral is received. The Group establishes an allowance, if needed, for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected based on historical performance. IFRS 9 establishes a three-stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. As at 31 December 2020, management assessed any significant increase in credit risk based on internal and external factors related to the financial instruments and concluded no such significant credit risk was present. Hence, no allowance related to credit risk has been recognized.

As of September 2018, the Group entered into a securitization agreement to sell certain trade receivables to an external financial institution. The agreement permits securitization of trade receivables up to EUR 180.0 million (USD 218.4 million). As per 31 December 2020 an amount of EUR 122.6 million (USD 148.7 million) of trade receivables were transferred.

With respect to transactions with financial institutions, the Group sets a minimum credit rating for the counterparties. The maximum exposure to credit risk is the carrying amount of financial instruments, for an overview reference is made to the tables financial instruments by category. There is no significant concentration by counterparty of credit risk in trade and other receivables, financial assets at fair value through other comprehensive income or cash and cash equivalents. Concentrations of receivables by region can be seen in the table below.

The maximum exposure to credit risk at the reporting date is as follows:

$ millions	Note	2020	2019
Trade and other receivables	(9)	604.4	512.5
Financial assets at fair value through other comprehensive income	(11)	30.0	33.4
Cash and cash equivalents	(14)	686.3	600.5
Total		**1,320.7**	**1,146.4**

The maximum exposure to credit risk for trade and other receivables by geographic region is as follows:

$ millions	2020	2019
Middle East and Africa	192.0	122.7
Asia and Oceania	18.5	53.7
Europe	269.0	214.7
Americas	124.9	121.4
Total	**604.4**	**512.5**

The maximum exposure to credit risk for cash and cash equivalents by geographic region is as follows:

$ millions	2020	2019
Middle East and Africa	535.0	425.0
Europe	17.6	96.6
Americas	133.7	78.9
Total	**686.3**	**600.5**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

6. Financial risk and capital management (continued)

6.2 Liquidity risk

6.2.1 General

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities of financial liabilities, including estimated interest payments and exclude the impact of netting agreements:

At 31 December 2020 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Cash outflows:						
Loans and borrowings	(18)	4,416.6	5,557.0	479.9	4,258.6	818.5
Lease obligations	(19)	292.2	539.1	48.5	125.6	365.0
Trade and other payables	(20)	1,020.6	1,020.6	999.1	17.5	4.0
Letters of guarantee	(28)	-	-	-	-	-
Derivatives	(20)	8.7	8.7	4.5	4.2	-
Total		**5,738.1**	**7,125.4**	**1,532.0**	**4,405.9**	**1,187.5**

At 31 December 2019 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Cash outflows:						
Loans and borrowings	(18)	4,662.3	6,081.4	469.1	4,303.0	1,309.3
Lease obligations	(19)	285.3	545.4	41.5	116.7	387.2
Trade and other payables	(20)	1,004.4	1,004.4	984.3	19.7	0.4
Letters of guarantee	(28)	-	-	-	-	-
Derivatives	(20)	17.6	17.6	7.0	10.6	-
Total		**5,969.6**	**7,648.8**	**1,501.9**	**4,450.0**	**1,696.9**

The interest on floating rate loans and borrowings is based on forward interest rates at period-end. This interest rate may change as the market interest rate changes. Callable loan amounts are classified as 'Less than one year'. The future obligations will be managed by the future incoming cash from operations, currently available non-restricted cash and cash equivalents of USD 632.2 million and unused amounts on credit facility agreements in the amount of USD 705.1 million, reference is made to note 18.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order to mitigate any concentration of liquidity risk.

The Group's financing strategy is to secure external financing primarily at OCI N.V. with debt at an operating company level only if there is a compelling economic rationale. OCI N.V. acts as the financing company thus limiting the number of cross relationships within the Company and maximizing flexibility to divest operating companies.

The liquidity risk is monitored internally at Group level. On an ongoing basis the Group prepares liquidity forecasts to verify whether the Group is able to meet its future debt obligations. The Company has also carefully evaluated the funding of its Business Plan for at least the next 12 months from the date of issuance of the financial statements, taking into account the measures mentioned below and has applied sensitivities to the forecast level of liquidity headroom available. Key assumptions include product pricing, natural gas pricing and utilization rates. Management has applied these assumptions to the forecasts, which would leave sufficient liquidity headroom.

6.2.2 Refinancing activity

The following refinancing activity was completed during 2020 to optimize the Group's finance cost, extend its debt maturity profile, and enhance its cashflow up-streaming to OCI N.V.

- In October 2020 OCI N.V. completed a dual-tranche bond offering consisting of USD 400.0 million senior secured fixed rate notes due 2025 and EUR 400.0 million senior secured fixed rate notes due 2025. The Dollar Notes bear interest at a rate of 4.625% per annum and the Euro Notes bear interest at a rate of 3.625% per annum. The Notes were issued at par, are senior secured obligations of the Company and are guaranteed by certain of the Company's subsidiaries. Interest will be payable semi-annually.

  The proceeds from the offering, along with a drawing of approximately $290 million (equivalent) under the Company's revolving credit facility, were used to redeem the Company's approximately $1,155 million (equivalent) euro and US dollar-denominated senior secured notes due 2023 and to pay fees and expenses incurred in connection with the offering.

- In October 2020, Fertiglobe completed a USD 385.0 million refinancing (USD 310.0 million term loan and USD 75.0 million RCF) maturing in 2025 at an interest rate of LIBOR + 2.00%. This facility replaced the existing credit facilities at EFC that would mature in 2025 and 2026 with an interest rate of LIBOR + 3.75% on USD borrowings and Central Bank of Egypt ('CBE') mid corridor + 0.25% on EGP borrowings.

6.3 Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. Financial risk and capital management (continued)

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange translation risk

Due to the Group's international presence, the Group is exposed to the translation of foreign currency denominated transactions and monetary assets that are different from the US dollar (which is the Group's presentation currency). The currencies concerned are mainly the Euro and the Algerian dinar. These exposures are managed by the group treasury function, which hedges a portion of the foreign currency exposures estimated to arise in the foreseeable future, for the unhedged portion the Group seeks to mitigate translation risk by broadly matching the remaining currency of debt with cashflows. The nominal amount of the foreign currency derivatives outstanding used to hedge translation risk as per 31 December 2020 was USD 1,005.7 million (2019: USD 220.2 million) and relates to the exposure of Euro denominated assets and liabilities.

Foreign exchange transaction risk

The Group entities predominantly execute their activities in their respective functional currencies. The Group is however exposed to foreign exchange transaction risk to the extent that there is a mismatch between the currencies in which sales, purchases, investments and borrowings are denominated and the respective functional currencies of the Group entities. The Group monitors the exposure to foreign currency risk arising from operating activities and enters selectively into foreign exchange contracts to hedge foreign currency exposures. The nominal amount of the foreign currency derivatives outstanding used to hedge transaction risk as per 31 December 2020 was USD 65.9 million (2019: USD 84.7 million) and relates to the USD exposure of the Group (on Euro currencies). The functional currencies of the Group entities are primarily the US dollar, the Algerian dinar and the Euro. EFC and EBIC have exposure to fluctuations in the USD / EGP exchange rates.

The summary of balances of the Group's exposure to foreign exchange transaction, where the main exposure currencies are different from the functional currencies, including intercompany balances, is as follows:

At 31 December 2020 $ millions	USD	EUR	EGP
Trade and other receivables	18.3	4.8	87.6
Trade and other receivables intercompany	2,098.3	0.8	0.8
Trade and other payables	(17.7)	(4.1)	(7.6)
Trade and other payables intercompany	(11.7)	(6.4)	-
Loans and borrowings	(1,350.0)	-	-
Loans and borrowings intercompany	(1,133.2)	5.4	-
Provisions	-	-	(120.7)
Cash and cash equivalents	238.9	8.8	26.5

At 31 December 2019 $ millions	USD	EUR	EGP
Trade and other receivables	19.2	6.4	77.8
Trade and other receivables intercompany	2,046.4	3.5	0.1
Trade and other payables	(61.9)	(0.9)	(16.3)
Trade and other payables intercompany	(65.3)	(1.4)	(0.2)
Loans and borrowings	(1,435.0)	-	(51.4)
Loans and borrowings intercompany	(1,190.6)	-	-
Provisions	-	-	(118.7)
Cash and cash equivalents	237.2	19.2	23.4

The Algerian dinar is not included in the above table of foreign exchange transaction exposure, since there are no entities in the Group which have monetary items denominated in Algerian dinar, except for Sorfert, which has the Algerian dinar as its functional currency.

Significant rates

The following significant exchange rates applied during the year against the US dollar:

	Average 2020	Average 2019	Closing 2020	Closing 2019
Euro	1.1418	1.1193	1.2225	1.1213
Egyptian pound	0.0632	0.0596	0.0635	0.0623
Algerian dinar	0.0079	0.0084	0.0076	0.0084

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate to increase or (decrease) against the EUR, EGP and DZD, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

31 December 2020 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	8 percent	(32.0)	-
	(8) percent	32.0	-
EGP - USD	3 percent	(0.4)	-
	(3) percent	0.4	-
DZD - USD	3 percent	7.2	-
	(3) percent	(7.2)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. Financial risk and capital management (continued)

31 December 2019 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	(33.1)	-
	(5) percent	33.1	-
EGP - USD	3 percent	(2.6)	-
	(3) percent	2.6	-
DZD - USD	3 percent	6.7	-
	(3) percent	(6.7)	-

The figures in the above overview are determined based on the currency volatility of the respective years. A significant part of the Group's exposure to foreign currency transaction risk relates to intercompany balances.

Interest rate risk

The Group's cash flow interest rate risks arise from the exposure to variability in future cash flows of floating rate financial instruments and refinancing fixed rate borrowings. The Group regularly reviews its exposure to the global interest rate environment. The Group has not entered into any interest rate derivatives.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2020	2019
Effect on profit before tax for the coming year	+100 bps	(6.6)	(7.2)
	- 100 bps	6.6	7.2

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a lower volatility compared to prior years. The interest rate sensitivity calculation is based on the interest-bearing liabilities excluding the restricted funds of IFCo, reference is made to note 14.

Commodity price risk

Natural gas is one of the primary raw materials used in the Group's production processes. The Group is exposed to natural gas price commodity risk for those entities that buy natural gas at spot prices. Management monitors the development of gas prices and products' selling prices on a daily basis using external historical and forecast market data provided by several data vendors. Management analyzes the potential profit margin per product based on these data in order to make operational and hedging decisions.

The Group enters into gas hedges in order to hedge future gas price levels over a certain period of time (reference is made to note 20). The Group uses derivatives (Basis swaps, Index swaps and options) in order to do so and does not apply hedge accounting on these instruments, therefore all fair value changes related to these financial instruments are recognized in profit or loss. Fixed price gas contracts and month-ahead swaps are accounted for under the 'own use' exemption. The fiscal year 2020 gas price risk is reduced by the Group to an extent of 21% (including both physical pricings and financial hedges).

The outstanding gas derivatives in MMBtu as per 31 December 2020 for the years 2021-2023 are:

- Flat priced contracts 18.4 million;
- Options (delta equivalent) 19.9 million;
- Basis Swaps 11.0 million

For the entities that are impacted by changes in natural gas prices during FY 2021, a change in the average natural gas prices by USD 1 per MMBtu would impact the total annual cost of sales by USD 136.9 million, excluding the positive impact of our different hedges.

European Emission Allowance

The Group receives European Emission Allowances ("EUAs") as a result of its industrial activities in the Netherlands. The EUAs are granted annually in advance by the Dutch Emission Authority. The amount of EUAs granted is based on an estimate of CO2 emissions in the Netherlands and the effective European emission legislation. In arrears, the Group has to refund allowances to the Dutch Emission Authority based on actual CO2 emissions during the year. In the event that a deficit in EUAs is identified, the Group has to purchase additional EUAs on the commodity markets to settle its liability to the Dutch Emission Authority.

During the year, the Group has generated additional liquidity by selling its EUAs to the market. This generated a total net proceeds of USD 82.8 million resulting for the sale and repurchase of EUAs. Upon the sale of EUA's a liability to the Dutch Emission Authority is recorded, which is subsequently measured at fair value. The total liability recorded as per 31 December 2020 amounts to USD 99.0 million. To manage the price exposure, the Group entered into financial hedges to purchase EUAs in order to meet its commitment to the Dutch Emission Authority. As per 31 December 2020, the fair value of these forward contracts amounts to USD 3.1 million. The group does not apply hedge accounting to these contracts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

6. Financial risk and capital management (continued)

Categories of financial instruments:

31 December 2020 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial assets through other comprehensive income at fair value
Assets				
Trade and other receivables	(9)	585.1	19.3	-
Financial assets at fair value through other comprehensive income	(11)	-	-	30.0
Cash and cash equivalents	(14)	686.3	-	-
Total		**1,271.4**	**19.3**	**30.0**
Liabilities				
Loans and borrowings	(18)	4,416.6	-	-
Trade and other payables	(20)	921.6	107.7	-
Total		**5,338.2**	**107.7**	**-**

31 December 2019 $ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets through other comprehensive income at fair value
Assets				
Trade and other receivables	(9)	507.5	5.0	-
Financial assets at fair value through other comprehensive income	(11)	-	-	33.4
Cash and cash equivalents	(14)	600.5	-	-
Total		**1,108.0**	**5.0**	**33.4**
Liabilities				
Loans and borrowings	(18)	4,662.3	-	-
Trade and other payables	(20)	1,004.4	17.6	-
Total		**5,666.7**	**17.6**	**-**

The Group has limited financial instruments carried at fair value. For derivative financial instruments, the fair value is calculated within hierarchy category level 2. Financial assets at fair value through other comprehensive income recognized as level 1 is USD 2.9 million (2019: USD 3.4 million), the investment in the Infrastructure and Growth Capital Fund of USD 6.3 million (2019: USD 6.8 million) was recognized as level 2 as the valuation is partially derived from listed shares. The investment in Notore Chemical of USD 20.8 million (2019: USD 23.2 million) is recognized as level 3, reference is made to note 11.

Notore is listed on the Nigerian Stock Exchange since 2018, however due to the lack in trading volumes the investment is still valued within the hierarchy category level 3 based on audited financial statements.

In 2020 and 2019, there were no transfers between the fair value hierarchy categories. The fair value of loans and borrowings and receivables are disclosed in notes 18 and 9, respectively.

6.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group is required by external financial institutions to maintain certain capital requirements compared to its debt. Reference is made to note 18 for a description of financial covenants.

The Group's net debt to equity ratio at the reporting date was as follows:

$ millions	Note	2020	2019
Loans and borrowings	(18)	4,416.6	4,662.3
Less: cash and cash equivalents	(14)	686.3	600.5
Net debt		**3,730.3**	**4,061.8**
Total equity		2,671.8	2,818.7
Net debt to equity ratio at 31 December		**1.40**	**1.44**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

7. Property, plant and equipment and right-of-use assets

Property, plant and equipment:

$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	594.1	6,533.6	32.3	223.4	7,383.4
Accumulated depreciation	(83.8)	(2,305.8)	(18.1)	-	(2,407.7)
At 1 January 2019	**510.3**	**4,227.8**	**14.2**	**223.4**	**4,975.7**
Movements in the carrying amount:					
Additions	0.1	31.2	3.6	253.3	288.2
Business combination Fertiglobe	103.8	1,714.5	2.0	23.1	1,843.4
Disposals	-	(1.3)	(0.2)	(2.1)	(3.6)
Depreciation	(26.0)	(482.9)	(2.8)	-	(511.7)
Transfers	2.4	334.7	1.3	(338.4)	-
Effect of movement in exchange rates	(0.9)	(16.9)	0.2	(3.8)	(21.4)
At 31 December 2019	**589.7**	**5,807.1**	**18.3**	**155.5**	**6,570.6**
Cost	749.9	9,209.3	58.8	155.5	10,173.5
Accumulated depreciation	(160.2)	(3,402.2)	(40.5)	-	(3,602.9)
At 31 December 2019	**589.7**	**5,807.1**	**18.3**	**155.5**	**6,570.6**
Movements in the carrying amount:					
Additions	5.1	24.0	2.5	221.2	252.8
Disposals	-	-	(0.3)	-	(0.3)
Depreciation	(27.5)	(519.0)	(3.5)	-	(550.0)
Transfers	4.3	228.4	0.8	(233.5)	-
Effect of movement in exchange rates	(5.4)	(26.1)	(0.3)	3.0	(28.8)
At 31 December 2020	**566.2**	**5,514.4**	**17.5**	**146.2**	**6,244.3**
Cost	751.9	9,328.1	60.3	146.2	10,286.6
Accumulated depreciation	(185.7)	(3,813.7)	(42.8)	-	(4,042.3)
At 31 December 2020	**566.2**	**5,514.4**	**17.5**	**146.2**	**6,244.3**

As at 31 December 2020, the Group has land with a carrying amount of USD 35.3 million (2019: USD 35.3 million).

The transfers of USD 233.5 million are assets under construction that were put into use during the year. Transfers mainly relate to BioMCN for USD 42.5 million, OCI Nitrogen for 102.1 million and OCI Beaumont for USD 74.2 million. The additions of USD 252.8 million mainly relate to OCI Nitrogen of USD 92.0 million and OCI Beaumont of USD 44.7 million. The effect of movement in exchange rates in 2020 mainly relates to Sorfert, BioMCN and OCI Nitrogen, which have different functional currencies (Algerian dinar and Euro respectively) compared to the Group's presentation currency. The Algerian dinar decreased by 9.5% and the Euro increased by 9.0% against the US dollar in 2020. The capitalized borrowing costs during the year ended 31 December 2020 amounts to USD 0.6 million (2019: USD 3.5 million) and relates fully to OCI Beaumont. The capitalization rate used is 4.0%. The capitalized borrowing costs for both periods were substantially paid.

The difference between the additions in the above schedule and the investments in property, plant and equipment mentioned in the consolidated statement of cash flows is mainly caused by changes in capital expenditure creditors not yet paid and capitalized borrowing costs, which are presented as part of interest expenses under cash flows from operating activities in the consolidated statement of cash flows. For capital commitments reference is made to note 29.

Property, plant and equipment of USD 1,920.6 million (2019: USD 2,041.2 million) have been pledged as security for external loans and borrowings of IFCo. Reference is made to note 18.

Right-of-use assets:

$ millions	Note	Land and buildings	Plant and equipment	Fixture and fittings	Total
At 1 January 2020		**133.6**	**88.3**	**55.6**	**277.5**
Movement in the carrying amount:					
Additions		11.8	14.8	3.8	30.4
Modifications		3.7	1.3	-	5.0
Disposals		(0.6)	(1.1)	-	(1.7)
Depreciation	(22)	(7.4)	(24.4)	(9.5)	(41.3)
Effect of movement in exchange rates		6.7	2.9	(0.1)	9.5
At 31 December 2020		**147.8**	**81.8**	**49.8**	**279.4**

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8. Goodwill and other intangible assets

$ millions	Goodwill	Licenses and trademarks	Other intangible assets	Total
Cost	1,807.2	75.4	4.8	1,887.4
Accumulated amortization and impairment	(1,322.9)	(73.8)	(3.4)	(1,400.1)
At 1 January 2019	**484.3**	**1.6**	**1.4**	**487.3**
Movements in the carrying amount:				
Business combination Fertiglobe	115.1	-	-	115.1
Amortization	-	(1.3)	(0.9)	(2.2)
Effect of movement in exchange rates	(0.4)	-	-	(0.4)
At 31 December 2019	**599.0**	**0.3**	**0.5**	**599.8**
Cost	1,921.9	74.0	4.8	2,000.7
Accumulated amortization and impairment	(1,322.9)	(73.7)	(4.3)	(1,400.9)
At 31 December 2019	**599.0**	**0.3**	**0.5**	**599.8**
Movements in the carrying amount:				
Investments	-	-	0.6	0.6
Amortization	-	(0.3)	(0.5)	(0.8)
Post completion settlement Fertiglobe	(115.1)	-	-	(115.1)
Effect of movement in exchange rates	2.0	-	-	2.0
At 31 December 2020	**485.9**	**-**	**0.6**	**486.5**
Cost	1,808.8	74.0	5.4	1,888.2
Accumulated amortization and impairment	(1,322.9)	(74.0)	(4.8)	(1,401.7)
At 31 December 2020	**485.9**	**-**	**0.6**	**486.5**

Goodwill

Goodwill has been allocated to the cash generating units as follows:

Cash generating units $ millions	Reporting segment	2020	2019
Egyptian Fertilizers Company ('EFC')	Fertiglobe	440.0	440.0
Fertil	Fertiglobe	-	115.1
OCI Beaumont	Methanol US	23.0	23.0
OCI Nitrogen	Nitrogen Europe	22.9	20.9
Total		**485.9**	**599.0**

Licenses and trademarks

The licenses and trademarks mainly relate to the customer relationships, trademarks and technology assets of OCI Nitrogen. These intangible assets were identified during the acquisition of OCI Nitrogen in 2010. The useful life of the customer relationships, trademarks and technology assets are respectively 5 to 10 years, 3 years and 5 years.

Goodwill impairment testing

The determination of the recoverable amounts for the cash generating units requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The tests were carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate, the terminal value growth rate, selling price outlook per product, natural gas prices and the number of expected operating days per plant. Selling price and natural gas price assumptions are based on a published independent price outlook prepared by global experts. The other assumptions used are based on past experiences and external sources, but that are unpredictable and inherently uncertain.

The impairment tests are based on specific estimates for cash flow projections for the years 2021 to 2025 (this period captures the cyclical nature of the industry). For the subsequent years, the residual values were calculated based on the average EBITDA margin of the last two years of the projection period and whereby a perpetual growth rate of 1.45% was used. The estimated cash flows are discounted using a present value technique.

The following rates were applied in performing the impairment test:

	2020			2019		
Percentage	EFC	OCI Beaumont	OCI Nitrogen	EFC	OCI Beaumont	OCI Nitrogen
Pre-tax discount rate	11.54%	8.30%	8.74%	12.5%	9.8%	9.9%
Perpetual growth rate	1.45%	1.45%	1.45%	2.0%	2.0%	2.0%

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8. Goodwill and other intangible assets (continued)

Result of the impairment test

For all cash generating units the recoverable values significantly exceed their carrying amounts. No reasonably possible change in a key assumption would cause the cash generating unit's carrying amount to exceed the recoverable amount.

9. Trade and other receivables

$ millions	2020	2019
Trade receivables (net)	271.3	220.9
Loans and trade receivables due from related parties (note 30)	58.5	55.7
Prepayments	66.2	30.3
Other tax receivables	112.2	90.7
Supplier advanced payments	30.9	24.7
Commodity derivatives	16.0	3.3
Foreign currency derivatives	3.3	1.7
Other receivables	46.0	85.2
Total	**604.4**	**512.5**
Non-current	3.5	4.1
Current	600.9	508.4
Total	**604.4**	**512.5**

In 2018, the Group entered into a securitization agreement to sell certain trade receivables to an external financial institution. By doing so, the Group is able to receive cash flows from selected debtors sooner than would normally be the case. Upon transfer of the balances, OCI derecognizes the trade receivables, since substantially all risks and rewards of ownership are transferred. The agreement permits securitization of trade receivables up to EUR 180.0 million (USD 218.4 million) (2019: EUR 180.0 million). As per 31 December 2020 an amount of EUR 122.6 million (USD 148.7 million) (2019: EUR 116.3 million) of trade receivables were transferred. The transferred trade receivables are pledged as security under the securitization program.

The other tax receivable contains an amount of EGP 900 million (USD 57.2 million) relating to a payment made to the Egyptian Tax Authorities as part of the tax claim which will be refunded upon settlement of the tax claim. Reference is made to note 28 'OCI S.A.E. tax dispute'.

The carrying amount of 'Trade and other receivables' as at 31 December 2020 approximates its fair value.

The aging of current trade receivables at the reporting date were as follows:

$ millions	2020	2019
Neither past due nor impaired	223.2	212.5
Past due 1 - 30 days	42.4	7.0
Past due 31 - 90 days	3.4	0.8
Past due 91 - 360 days	1.5	0.6
More than 360 days	0.8	-
Total	**271.3**	**220.9**

Management believes that the unimpaired amounts that are past due by more than 30 days are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Group has not recognized any allowance for trade receivables.

10. Equity-accounted investees

(i) The following table shows the movements in the carrying amount of the Group's associates and joint ventures:

$ millions	2020	2019
At 1 January	**506.9**	**566.6**
Share in income	(36.7)	(56.6)
Intercompany profit elimination on upstream transactions	(0.1)	(1.3)
Dividend	(3.0)	(1.6)
Effect of movement in exchange rates	1.6	(0.2)
At 31 December	**468.7**	**506.9**
Joint ventures	1.1	2.7
Associates	467.6	504.2
Total	**468.7**	**506.9**

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10. Equity-accounted investees (continued)

(ii) The Group has interests in the following associates and joint ventures:

Name	Type	Participation via	Country	Participation %
Firewater LLC (Natgasoline)	Associate	Firewater B.V.	United States	50.0
Sitech Manufacturing Services C.V.	Associate	OCI Nitrogen B.V.	The Netherlands	35.0
Sitech Utility Holding Beheer B.V.	Associate	OCI Nitrogen B.V.	The Netherlands	40.0
Sitech Utility Holding C.V.	Associate	OCI Nitrogen B.V.	The Netherlands	40.0
Sitech Services B.V.	Associate	OCI Nitrogen B.V.	The Netherlands	23.0
White Rock Insurance PCC Ltd.	Associate	OCI N.V. Holding	The Netherlands	5.0
Nitrogen Iberian Company SL.	Joint venture	OCI Nitrogen B.V.	Spain	50.0
Shanxi Fenghe Melamine Company Ltd.	Joint venture	OCI Nitrogen B.V.	China	49.0
Fitco OCI Agro S.A.	Joint venture	Fertiglobe Holding Ltd.	Uruguay	50.0

(iii) The following table summarizes the financial information of OCI's associates and joint ventures (on a 100% basis):

$ millions	2020 Associates	2020 Joint ventures	2020 Total	2019 Associates	2019 Joint ventures	2019 Total
Non-current assets	2,106.9	1.2	2,108.1	2,254.7	1.9	2,256.6
Current assets	312.5	2.8	315.3	277.3	5.7	283.0
Non-current liabilities	(1,154.8)	-	(1,154.8)	(1,186.7)	-	(1,186.7)
Current liabilities	(291.4)	(1.9)	(293.3)	(305.0)	(2.2)	(307.2)
Net assets	**973.2**	**2.1**	**975.3**	**1,040.3**	**5.4**	**1,045.7**
Income	804.9	34.9	839.8	797.4	45.2	842.6
Expenses	(869.8)	(36.6)	(906.4)	(902.7)	(47.4)	(950.1)
Net (loss) / profit	**(64.9)**	**(1.7)**	**(66.6)**	**(105.3)**	**(2.2)**	**(107.5)**

Associates

The following chart summarizes the financial information of significant associates (on a 100% basis):

$ millions	Firewater LLC (Natgasoline) 2020	Firewater LLC (Natgasoline) 2019	Sitech Services B.V. 2020	Sitech Services B.V. 2019
Non-current assets	1,977.2	2,131.2	128.9	117.3
Current assets (excluding cash and cash equivalents)	122.6	81.4	31.1	34.0
Cash and cash equivalents	3.2	24.9	35.1	29.8
Non-current liabilities	(1,078.1)	(1,115.0)	(76.7)	(71.7)
Current liabilities	(119.1)	(138.9)	(55.9)	(56.1)
Net assets	**905.7**	**983.6**	**62.5**	**53.3**
Group's share of net assets	452.8	491.8	14.4	12.3
Revenues	256.2	285.1	204.3	202.2
Depreciation	(173.3)	(145.0)	(13.3)	(13.1)
Interest income	0.1	0.4	-	-
Interest expense	(62.9)	(72.9)	(1.4)	(1.5)
(Loss) / profit before taxes	(78.2)	(121.0)	19.4	19.2
Tax expense	-	-	(6.1)	(3.5)
(Loss) / profit after taxes	(78.2)	(121.0)	13.3	15.7
Other comprehensive income	-	-	-	-
Total comprehensive income	**(78.2)**	**(121.0)**	**13.3**	**15.7**
Group's share in total comprehensive income	(39.0)	(60.5)	3.1	3.6
Dividends	**-**	**-**	**9.1**	**6.1**

Included in the associates is Firewater LLC, the holding company of Natgasoline LLC, which is a methanol plant in Texas USA, and Sitech, which operates at the Chemelot site in Geleen, the Netherlands, where the factory of OCI Nitrogen is. The Chemelot site is also used by other companies.

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11. Financial assets at fair value through other comprehensive income

$ millions	2020	2019
Infrastructure and Growth Capital Fund LP (UAE)	6.3	6.8
Notore Chemical Industries (Mauritius)	20.8	23.2
Orascom Construction PLC (UAE)	2.9	3.4
Total	**30.0**	**33.4**
Non-current	30.0	33.4
Current	-	-
Total	**30.0**	**33.4**

The Group holds an investment in the Infrastructure and Growth Capital Fund LP, which is managed by the Abraaj Group. Abraaj Holdings and Abraaj Investment Management are in provisional liquidation in the Cayman Islands and their court-appointed joint provisional liquidators, Deloitte and PwC, are overseeing the restructuring of Abraaj's debt.

The investment in Notore Chemical Industries represents a 13.18 percent shareholding. Further, OCI N.V. holds shares in Orascom Construction PLC.

12. Income taxes

12.1 Income tax in the statement of profit or loss

$ millions	2020	2019
Current tax	(18.3)	1.9
Deferred tax	(26.2)	(23.6)
Total income tax reported in profit or loss	**(44.5)**	**(21.7)**

Current tax expense

$ millions	2020	2019
Current year	(27.1)	4.6
Dividend withholding tax	7.8	(7.8)
Changes in estimates relating to prior years	1.0	5.1
Income tax benefit / (expense) reported in profit or loss	**(18.3)**	**1.9**

Deferred tax expense

$ millions	2020	2019
Origination and reversal of temporary differences	74.3	84.0
Movement in uncertain tax positions	(30.4)	(27.2)
Changes in tax rates	(4.2)	(1.7)
Recognition of previously unrecognized tax assets	2.9	-
Unrecognized tax assets	(56.6)	(76.1)
Dividend withholding tax	(12.2)	(2.6)
Income tax benefit / (expense) reported in profit or loss	**(26.2)**	**(23.6)**

12.2 Other comprehensive income

$ millions	2020	2019
Cash flow hedges, effective portion of changes in fair value	(1.9)	-
Income tax benefit / (expense) reported in OCI	**(1.9)**	**-**

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12.3 Reconciliation of effective tax rate

OCI's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 0.0% to 30.5%, which results in a difference between the effective income tax rate and the Netherlands' statutory income tax rate of 25.0%.

Reconciliation of the statutory income tax rate in the Netherlands with the effective income tax rate can be summarized as follows:

$ millions	2020	%	2019	%
Profit / (loss) before income tax	(49.6)		(278.5)	
Enacted income tax rate in the Netherlands	25%		25%	
Tax calculated at the enacted Dutch tax rate	**12.4**	**25.0**	**69.6**	**25.0**
Effect of tax rates in foreign jurisdictions	9.8	19.8	11.5	4.1
Expenses non-deductible	(28.8)	(58.1)	(51.3)	(18.4)
Income not subject to tax	19.0	38.3	20.7	7.4
Adjustments prior years	1.0	2.0	5.1	1.8
Change in tax rates	(4.2)	(8.4)	(1.7)	(0.6)
Recognition of previously unrecognized tax assets	2.9	5.8	-	-
Unrecognized tax assets	(56.6)	(114.1)	(76.1)	(27.3)
Dividend withholding tax	7.8	15.7	(2.6)	(0.9)
Uncertain tax positions	(7.5)	(15.1)	3.1	1.1
Other	(0.3)	(0.6)	-	-
Total income tax in profit or loss	**(44.5)**	**(89.7)**	**(21.7)**	**(7.8)**

The effective income tax rate is (89.7%) (2019: 7.8%), mainly due to (i) unrecognized tax assets for an amount of USD (56.6) million mainly relating to BioMCN, IFCo, Natgasoline and OCI NV not meeting the recognition criteria, (ii) expenses non-deductible for an amount of USD (28.8) million and (iii) income not subject to tax for an amount of USD 19.0 million. The non-deductible expenses mainly relate to interest expense that is limited under local interest deduction limitation rules and non-deductable shareholder costs.

The income not subject to tax mainly relates to tax exemption on export sales as well as the application of free trade zones for several entities within the Group.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

12.4 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

$ millions	2020	2019
At 1 January	**(483.7)**	**(173.3)**
Profit or loss	(26.2)	(23.6)
Equity	-	-
Business combination Fertiglobe	-	(287.4)
Effect of movement in exchange rates	(4.8)	0.6
At 31 December	**(514.7)**	**(483.7)**

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	2020	2019	2020	2019	2020	2019
Intangible assets	81.6	114.0	(62.7)	(62.7)	18.9	51.3
Property, plant and equipment	-	0.1	(610.7)	(612.2)	(610.7)	(612.1)
Inventory	1.9	2.8	(3.3)	(2.5)	(1.4)	0.3
Investment in partnership	-	-	(89.6)	(74.1)	(89.6)	(74.1)
Trade and other receivables	-	-	(0.4)	(0.2)	(0.4)	(0.2)
Loans and borrowings	52.0	60.6	(1.1)	-	50.9	60.6
Trade and other payables	12.4	14.9	-	(1.3)	12.4	13.6
Provisions	-	-	(6.3)	(8.7)	(6.3)	(8.7)
Uncertain tax positions	-	-	(57.6)	(27.2)	(57.6)	(27.2)
Undistributed earnings	-	-	(15.6)	(3.4)	(15.6)	(3.4)
Operating losses carry forward and tax credits	184.7	116.2	-	-	184.7	116.2
Total	**332.6**	**308.6**	(847.3)	**(792.3)**	(514.7)	**(483.7)**
Netting of fiscal positions	(331.8)	(302.1)	331.8	302.1	-	-
Amounts recognized in the Statement of Financial Position	**0.8**	**6.5**	(515.5)	**(490.2)**	(514.7)	**(483.7)**

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12.4 Deferred income tax assets and liabilities (continued)

Deferred tax liabilities relating to intangible assets mainly relates to goodwill of EFC for USD 62.7 million. This deferred tax liability will be reversed in case the asset is impaired. Deferred tax liabilities recognized in relation to property, plant and equipment will be realized over the depreciation period of the related asset, and mainly relate to Fertil (USD 265.9 million), IFCo (USD 235.0 million), EFC (USD 69.7 million) and OCI Nitrogen (USD 25.9 million). The uncertain tax position of USD 57.6 million is related to a difference in interpretation of local regulation with local tax authorities, this is currently under discussion although no agreement is expected on the treatment within a short timeframe. Furthermore, the deferred tax liability 'investment in partnership' (USD 89.6 million) relates to a temporary difference related to OCI USA Inc's investment in OCI Beaumont. The deferred tax liability 'undistributed earnings' relates to income tax consequences of undistributed earnings of subsidiaries that will reverse in the foreseeable future. The Company does not anticipate any other income tax consequences resulting from the undistributed earnings of subsidiaries.

Deferred tax assets relate to temporary differences, tax credits and tax losses carry forward. The Company has net tax losses carry forward and tax credits totalling USD 611.2 million, for which an amount of USD 426.5 million has not been recognized. The losses carry forward mainly relate to the US operations (USD 364.7 million), Dutch operations (USD 40.2 million) and Egyptian operations (USD 47.9 million). Tax credits are available amounting to USD 94.7 million mainly relating to the US operations.

Uncertain tax positions

The group is subject to the application of complex tax laws in multiple jurisdictions. Application of these complex tax laws may lead to uncertainties in determining tax positions. We aim to resolve these uncertainties in discussions with the tax authorities. The financial effect of the existing uncertainties per balance sheet date are determined in accordance with IAS 12 and IFRIC 23, which requires us to estimate the potential outcome of any tax position. Our estimate for the potential outcome of any uncertain tax position is judgmental.

As of 31 December 2020, the Group recorded uncertain tax positions to an amount of USD 57.6 million which is classified as a deferred tax liability. Expected interest and penalties related to uncertain income tax liabilities have been accrued for and are included in the uncertain tax positions and in the income tax expense. In addition to the uncertain tax liability, the Group also has a contingent tax asset that currently does not meet the recognition criteria of IFRIC 23. For more information we refer to note 28.

Expiration scheme of gross unrecognized carry forward tax losses, tax credits and deferred temporary tax assets:

2020 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Temporary differences	-	-	-	-	-	-	-
Tax losses and tax credit carry forwards	67.2	309.7	128.9	-	359.2	532.1	**1,397.1**
Tax assets – unrecognized	**67.2**	**309.7**	**128.9**	**-**	**359.2**	**532.1**	**1,397.1**

2019[1] $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Temporary differences	-	-	-	-	-	-	-
Tax losses and tax credit carry forwards	19.7	145.5	262.1	9.4	399.9	313.8	**1,150.4**
Tax assets – unrecognized	19.7	145.5	262.1	9.4	399.9	313.8	**1,150.4**

[1] In the Annual Report 2019 amounts were presented net.

The above unrecognized temporary differences, tax losses and tax credit carryforwards relate to tax jurisdictions in which OCI has suffered a tax loss in the current or a preceding period. Significant judgment is required in determining whether deferred tax assets can be utilized. OCI determines this based on expected taxable profits arising from the reversal of recognized deferred tax liabilities and based on budget, cash flow forecasts and impairment models and the recent history of taxable results. Where utilization is not considered probable, deferred tax assets are not recognized.

Changes in income tax receivables and payables:

$ millions	2020	2019
At 1 January	**(5.6)**	**(67.7)**
Profit or loss	(27.1)	1.9
Changes in estimates relating to prior years	1.0	-
Other comprehensive income	(1.9)	-
Payments	25.4	59.9
Effect of movement in exchange rates	0.7	0.3
At 31 December	**(7.5)**	**(5.6)**
Income tax receivable	2.8	3.2
Income tax payables	(10.3)	(8.8)
Total	**(7.5)**	**(5.6)**

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13. Inventories

$ millions	2020	2019
Finished goods	149.0	189.3
Raw materials and consumables	30.4	29.8
Spare parts, fuels and others	114.4	89.6
Total	**293.8**	**308.7**

During 2020, the total write-downs amount to USD 1.4 million (2019: USD 5.2 million) of which USD 1.0 million (2019: USD 2.6 million) relates to spare parts. During 2020 there were USD 5.2 million of reversals of write downs (2019: USD 4.4 million). Inventory amounting to USD 31.2 million (2019: USD 43.3 million) has been pledged as security for external loans of IFCo. Reference is made to note 18.

14. Cash and cash equivalents

$ millions	2020	2019
Cash on hand	0.2	0.2
Bank balances	632.0	560.3
Restricted cash	54.1	40.0
Total	**686.3**	**600.5**

Restricted cash

Restricted cash of USD 47.4 million (2019: USD 23.1 million) is held as part of IFCo's debt service requirements for the outstanding bonds, of which USD 39.4 million (2019: USD 15.0 million) is held as a required deposit in a major maintenance reserve account and is to be used to fund capital expenditure.

The remaining restricted balances are held as collateral against letters of credit and letters of guarantees issued.

15. Equity attributable to owners of the Company

The movements in the number of shares can be summarized as follows:

	2020	2019
Number of shares at 1 January	210,306,101	210,306,101
Number of issued shares	-	-
On issue at 31 December – fully paid	**210,306,101**	**210,306,101**
Par value per share (in EUR)	**0.02**	**0.02**
At 31 December (in millions of USD)	**5.6**	**5.6**

The authorized capital of the Company amounts to EUR 12.0 million. The authorized capital is divided into 600 million shares, with a nominal value of EUR 0.02 each.

Movements in equity attributable to owners of the Company in 2020:

- The post-completion adjustment with ADNOC resulted in an increase in retained earnings of USD 48.3 million and a decrease in non-controlling interests of USD 59.6 million. Reference is made to note 2.2.1. and note 17.
- An amount of USD 8.0 million related to share-based compensation expense was recognized in retained earnings.

Movements in equity attributable to owners of the Company in 2019:

- The business combination Fertiglobe with ADNOC resulted in an increase in retained earnings of USD 674.8 million and an increase in non-controlling interests of USD 1,093.3 million. Reference is made to note 2.2.1. and note 17.
- An amount of USD 6.6 million related to share-based compensation expense was recognized in retained earnings.

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16. Reserves

$ millions	Hedge reserve	Financial assets at fair value through other comprehensive income[1]	Currency translation	Treasury shares	Total
At 1 January 2019	**(0.4)**	**0.1**	**(223.8)**	**(24.9)**	**(249.0)**
Increase in hedge reserve	0.2	-	-	-	0.2
Currency translation differences	-	-	8.0	-	8.0
Financial assets at fair value through other comprehensive income	-	(3.4)	-	-	(3.4)
Other comprehensive income	**0.2**	**(3.4)**	**8.0**	**-**	**4.8**
Treasury shares sold / delivered	-	-	-	7.7	7.7
Treasury shares acquired	-	-	-	(1.3)	(1.3)
At 31 December 2019	**(0.2)**	**(3.3)**	**(215.8)**	**(18.5)**	**(237.8)**
Increase in hedge reserve	5.9	-	-	-	5.9
Currency translation differences	-	-	(106.6)	-	(106.6)
Financial assets at fair value through other comprehensive income	-	(3.7)	-	-	(3.7)
Other comprehensive income	**5.9**	**(3.7)**	**(106.6)**	**-**	**(104.4)**
Treasury shares sold / delivered	-	-	-	3.8	3.8
Treasury shares acquired	-	-	-	-	-
At 31 December 2020	**5.7**	**(7.0)**	**(322.4)**	**(14.7)**	**(338.4)**

[1] Cannot be subsequently reclassified to profit or loss.

OCI is a company incorporated under Dutch law. In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances. The hedging reserve, the financial assets at fair value through other comprehensive income reserve, the currency translation reserve and other legal reserves are legal reserves that limit distributions to shareholders to the extent that these reserves individually have a credit balance.

Treasury shares

During the financial year ended 31 December 2020 the company acquired zero shares and sold and delivered out of share-based payment plans 160,327 shares.

	2020	2019
Number of shares	561,926	722,253
Average carrying value per share (USD)	25.13	23.05
Total (In millions USD)	**14.1**	**16.6**
Foreign exchange effect	0.6	1.9
Total carrying value of treasury shares (In millions of USD)	**14.7**	**18.5**

17. Non-controlling interests

2020 $ millions	Fertil	EFC	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Other	Total
Non-controlling interests	42.00%	42.06%	65.20%	70.43%	-	-
Non-current assets	753.3	678.7	193.9	551.7	23.0	2,200.6
Current assets	81.6	50.8	47.5	301.8	1,263.5	1,745.2
Non-current liabilities	(144.1)	(125.3)	(4.7)	(233.8)	(405.3)	(913.2)
Current liabilities	(41.0)	(119.5)	(60.5)	(61.2)	(1,210.3)	(1,492.5)
Net assets	**649.8**	**484.7**	**176.2**	**558.5**	**(329.1)**	**1,540.1**
Revenues	200.2	151.3	77.7	241.5	812.6	1,483.3
Profit	1.2	21.8	(11.3)	77.6	(5.7)	83.6
Other comprehensive income	-	-	-	(40.2)	1.5	(38.7)
Total comprehensive income	**1.2**	**21.8**	**(11.3)**	**37.4**	**(4.2)**	**44.9**
Dividend cash flows	**-**	**-**	**-**	**-**	**(43.2)**	**(43.2)**

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17. Non-controlling interests (continued)

2019 $ millions	Fertil	EFC*	Egyptian Basic Industries Corporation*	Sorfert Algeria Spa*	Other	Total
Non-controlling interests	42.00%	42.06%	65.20%	70.43%	-	-
Non-current assets	846.7	680.3	197.8	650.6	26.3	2,401.7
Current assets	57.2	31.4	42.4	290.3	1,169.9	1,591.2
Non-current liabilities	(154.9)	(183.9)	(4.7)	(314.5)	(342.5)	(1,000.5)
Current liabilities	(28.9)	(64.1)	(38.1)	(283.6)	(1,116.5)	(1,531.2)
Net assets	**720.1**	**463.7**	**197.4**	**342.8**	**(262.8)**	**1,461.2**
Revenues	55.1	37.8	70.5	186.5	352.8	702.7
Profit	(6.9)	2.6	(1.0)	41.8	(2.0)	34.5
Other comprehensive income	-	-	-	(3.6)	-	(3.6)
Total comprehensive income	**(6.9)**	**2.6**	**(1.0)**	**38.2**	**(2.0)**	**30.9**
Dividend cash flows	**-**	**-**	**-**	**-**	**(6.1)**	**(6.1)**

* NCI in EFC, EBIC and Sorfert increased in 2019 due to the Fertiglobe business transaction and the transfer of 42% in OCI MENA, reference is made to note 2.2.1.

Fertiglobe 2019 business combination with ADNOC (NCI)

OCI N.V. owns 58% shares in one of its subsidiaries, Fertiglobe, which controls 100% of the voting powers and economic returns from Fertil (and holds the Group's share in OCI MENA). For purchase accounting purposes, the company has determined the fair value of the shares in Fertil as described above. As OCI N.V. retains control over shares that were already owned by Fertiglobe in OCI MENA, these assets and liabilities are not revalued as part of the purchase accounting. As a result, the NCI in Fertiglobe is the sum of 42% of the fair value of Fertil and 42% of the OCI MENA net assets as at 30 September 2019. OCI N.V.'s disposal of 42% ownership in Fertiglobe, whilst retaining control in the subsidiary was treated as an equity transaction. NCI of USD 382.7 million is recognized as part of the disposal of 42% ownership in its former OCI MENA net assets, while the difference between 42% of the fair value of OCI MENA and the book value resulted in an equity increase of USD 674.8 million.

The NCI recognized as part of the non-controlling interests held by ADNOC in Fertil amounted to USD 710.6 million as per September 2019. The fair value of Fertil has been measured by applying a discounted cashflow method, cash flows beyond the forecasted period of five years have been extrapolated using a 2% growth rate. The pre-tax WACC used to determine the expected discounted future cash flows is 9.0%. Reference is made to note 2.2.1.

Movements in equity attributable to non-controlling interests in 2020:

- The reduction of declared dividends to non-controlling interests in the amount of USD 125.4 million relates to the dividends declared by Sorfert relating to the financial year 2018, that were cancelled by a resolution of the general meeting of shareholders of Sorfert in December 2020.
- Total dividends declared to non-controlling interests amounted to USD 49.2 million.
- Impact difference in profit sharing non-controlling interests: In the partnership agreement of Sorfert between OCI and the partner, a profit-sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. As a result of this agreement the non-controlling interests increased by USD 17.4 million during 2020.

Movements in equity attributable to non-controlling interests in 2019:

- Total dividends declared to non-controlling interests amounted to USD 143.3 million, of which USD 137.2 million related to Sorfert.
- Impact difference in profit sharing non-controlling interests: In the partnership agreement of Sorfert between OCI and the partner, a profit-sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. As a result of this agreement the non-controlling interests increased by USD 10.5 million during 2019.

18. Loans and borrowings

$ millions	2020	2019
At 1 January	**4,662.3**	**4,580.3**
Proceeds from loans	2,070.4	1,765.5
Redemptions of loans	(2,396.0)	(1,654.4)
Newly incurred transaction costs	(14.6)	(24.1)
Amortization of transaction costs / (bond) premiums	34.1	25.6
Effect of movement in exchange rates	60.4	(24.4)
Debt modification gain	-	(6.2)
At 31 December	**4,416.6**	**4,662.3**
Non-current	4,226.9	4,392.7
Current	189.7	269.6
Total	**4,416.6**	**4,662.3**

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group's presentation currency. Information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in the financial risk and capital management paragraph in note 6.

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18. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount[1] ($ millions)	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95%	June 2026	398.3	325.8	72.5	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Iowa Fertilizer Company ('IFCo')	Secured	USD 120.0 USD 429.0 USD 147.2 USD 425.4	Fixed: 3.125% Fixed: 5.25% Fixed 5.875% Fixed 5.25%	December 2022 December 2025 December 2027 December 2037	80.0 426.1 139.8 412.1	43.4 426.1 139.8 412.1	36.6 - - -	80.7 465.4 147.7 424.3	Certain bank accounts, property of IFCo, inventories, all funds, including equity contributions of USD 762.0 million by OCI
Egyptian Fertilizers Company ('EFC')	Secured	USD 150.0	LIBOR + 2.00%	October 2025	134.2	108.4	25.8	136.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 160.0	LIBOR + 2.00%	October 2025	138.1	110.6	27.5	140.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 75.0	LIBOR + 2.00%	October 2025	-	-	-	-	N/a
OCI N.V. ('OCI')	Senior Secured Notes	USD 400.0 USD 489.0 (EUR 400.0)	Fixed at 4.625% Fixed at 3.625% for EUR denominated notes	October 2025 October 2025	395.6 483.8	395.6 483.8	- -	416.0 506.8	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Senior Secured Notes	USD 855.8 (EUR 700.0) USD 600.0	Fixed: 3.125% Fixed: 5.250%	November 2024 November 2024	845.1 591.6	845.1 591.6	- -	878.9 623.3	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Secured	USD 850.0	LIBOR + 3.50%	April 2023	344.6	344.6	-	350.0	Guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI Fertilizer Trading Ltd. ('OFT')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	-	-	-	-	n/a
OCI Nitrogen	Inventory financing	USD 70.2 (EUR 57.4)	1.25%	No defined maturity, facility is uncommitted with monthly roll overs	27.3	-	27.3	27.3	Stand by letter of credit of EUR 9.0 million (USD 10.1 million) and OCI N.V. guarantee of EUR 90 million (USD 100.9 million)
Total 31 December 2020					**4,416.6**	**4,226.9**	**189.7**	**n/a**	

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18. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount[1] ($ millions)	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	539.9	439.8	100.1	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Iowa Fertilizer Company ('IFCo')	Secured	USD 120.0 USD 429.0 USD 147.2 USD 425.4	Fixed: 3.125% Fixed: 5.25% Fixed 5.875% Fixed 5.25%	December 2022 December 2025 December 2027 December 2037	118.6 424.9 138.6 411.2	82.3 424.9 138.6 411.2	36.3 - - -	122.0 466.7 155.1 465.7	Certain bank accounts, property of IFCo, inventories, all funds, including equity contributions of USD 762.0 million by OCI
Egyptian Fertilizers Company ('EFC')	Secured	USD 60.0 USD 100.0 USD 69.8 (EGP 1,120.0) USD 220.0	LIBOR + 3.75% LIBOR + 3.75% CBE Mid Corridor + 0.75% margin for EGP denominated borrowings LIBOR + 3.75%	June 2025 June 2026 June 2025 June 2025	49.9 82.6 50.6 126.6	44.3 72.5 44.6 112.1	5.6 10.1 6.0 14.5	51.0 84.3 51.4 127.5	Pledge EFC shares 99.9% owned by 'Orascom Fertilizer Plant Maintenance'. Power of Attorney for perfection of commercial and real estate mortgages. OCI will pay for shortfalls
OCI N.V. ('OCI')	Senior Secured Notes	USD 650.0 USD 448.5 (EUR 400.0)	Fixed at 6.625% Fixed at 5.0% for EUR denominated notes	April 2023 April 2023	639.8 441.0	639.8 441.0	- -	677.6 466.7	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Senior Secured Notes	USD 784.9 (EUR 700.0) USD 600.0	Fixed: 3.125% Fixed: 5.250%	November 2024 November 2024	772.8 590.6	772.8 590.6	- -	818.9 625.5	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Secured	USD 185.0	LIBOR + 4.00%	April 2023	178.2	178.2	-	178.2	Guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI Fertilizer Trading Ltd. ('OFT')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	32.7	-	32.7	32.7	n/a
OCI Nitrogen	Inventory financing	USD 64.3 (EUR 57.4)	1.25%	No defined maturity, facility is uncommitted with monthly roll overs	64.3	-	64.3	64.3	Stand by letter of credit of EUR 9.0 million (USD 10.1 million) and OCI N.V. guarantee of EUR 90 million (USD 100.9 million)
Total 31 December 2019					**4,662.3**	**4,392.7**	**269.6**	**n/a**	

[1] As at 31 December 2020 the carrying amount of loans and borrowings excluded interest of USD 24.4 million (2019: USD 79.1 million)

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18. Loans and borrowings (continued)

Covenants

Certain loan agreements include financial covenants. The definitions for calculating the financial covenants applicable to the facilities within the Group can be summarized as follows:

- Debt Service Coverage Ratio: Income Available (revenue earned less operating expenses) to Debt Service (net finance charges including the capital element of finance leases) or gross profit less change in working capital to interest and principal payments.
- Debt to Equity Ratio: Gross Debt (current and long-term debt obligations) to total Equity (the sole capital of the borrower).
- Net Leverage Ratio: the Group's Net Debt (meaning the aggregate amount of all obligations of the Group, excluding intergroup loans and cash and cash equivalents, but including finance leases) to adjusted EBITDA.
- Interest Coverage Ratio: EBITDA, EBIT or Distribution Receipts (cash received by the borrower by way of dividends or repayments of loans) to Finance Charges (meaning finance payments in respect of borrowings including the interest element of finance leases).

As per 31 December 2020 all financial covenants were met.

In the event the respective borrowing company's would not comply with the covenant requirements, in total an amount of USD 1,026.0 million of the loans would become immediately due. Refer to note 6.2 for additional discussion of the Company's liquidity risk. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

Fair value measurement loans and borrowings

Except for the IFCo bonds, the senior secured notes of OCI N.V. and the loan of Sorfert, the fair value of all other loans and facilities is calculated within hierarchy category level 2. The bonds of IFCo and OCI N.V. are measured following hierarchy category 1. The fair value of the loan of Sorfert cannot be determined as no observable market data is available.

New and amended financing arrangements in 2020

OCI N.V.

In October 2020 OCI N.V. completed a dual-tranche bond offering consisting of USD 400.0 million senior secured fixed rate notes due 2025 and EUR 400.0 million senior secured fixed rate notes due 2025. The Dollar Notes bear interest at a rate of 4.625% per annum and the Euro Notes bear interest at a rate of 3.625% per annum. The Notes were issued at par, are senior secured obligations of the Company and are guaranteed by certain of the Company's subsidiaries. Interest will be payable semi-annually.

The proceeds from the offering, along with a drawing of approximately USD 290 million (equivalent) under the Company's revolving credit facility, were used to redeem the Company's approximately USD 1,155 million (equivalent) euro and US dollar-denominated senior secured notes due 2023 and to pay fees and expenses incurred in connection with the offering.

Fertiglobe

In October 2020, Fertiglobe completed a USD 385 million refinancing (USD 310 million term loan and USD 75 million RCF) maturing in 2025 at an interest rate of LIBOR + 2.00%. This facility will replace the existing credit facilities at EFC that would mature in 2025 and 2026 with an interest rate of LIBOR + 3.75% on USD borrowings and CBE mid corridor + 0.75% on EGP borrowings.

Proceeds from borrowings

Proceeds from borrowings in 2020 totaled an amount of USD 2,070.4 million, which consisted of the net proceeds of the new financing arrangements of OCI N.V, EFC, Fertiglobe Holding, new proceeds of the revolving credit facility at OCI N.V. and changes in the outstanding amounts at OCI Nitrogen and IFCo.

Redemptions

Redemptions of borrowings in 2020 totaled an amount of USD 2,396.0 million, which consisted of a partly repayment of bonds at OCI N.V., repayment of borrowings at EFC, partly repayment of the revolving credit facility at OCI N.V. and regular installments for borrowings and changes in the outstanding amounts of the revolving credit facilities at OCI Nitrogen, IFCo, Sorfert, EFC, Fertiglobe Holding and OFT.

Undrawn bank facilities

As of 31 December 2020, the Group had not drawn external bank facilities in the amount of USD 700.0 million. This relates to a trade finance facility of OFT and OFTS of USD 75.0 million, a working capital facility of IFCo of USD 50.0 million and external bank facilities of Fertiglobe Holding Ltd of USD 75.0 million and OCI N.V. of USD 500.0 million.

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19. Lease obligations

The Group leases a number of office spaces, warehouses, land, employee accommodation, computers, machinery and vehicles. Lease terms vary from 1 year to indefinite renewal options. Calculations of the lease obligation for leases with indefinite renewal options are done using a lease term based on the expected renewal periods and can be more than 100 years.

Lease obligations:

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2019	**189.7**	**26.5**	**216.2**
Movement in the carrying amount:			
Payments	-	(30.1)	(30.1)
Accretion of interest	3.9	1.9	5.8
Additions	18.8	7.9	26.7
Disposals	(1.5)	(0.3)	(1.8)
Transfers	(28.0)	28.0	-
Modifications	(15.3)	(2.9)	(18.2)
Business combination Fertiglobe	76.4	10.0	86.4
Effect of movement in exchange rates	0.3	-	0.3
At 31 December 2019	**244.3**	**41.0**	**285.3**
Movement in the carrying amount:			
Payments	-	(45.9)	(45.9)
Accretion of interest	8.2	0.4	8.6
Additions	24.7	6.1	30.8
Disposals	(0.6)	(0.7)	(1.3)
Transfers	(40.1)	40.1	-
Modifications	3.6	1.4	5.0
Effect of movement in exchange rates	8.5	1.2	9.7
At 31 December 2020	248.6	43.6	292.2

20. Trade and other payables

$ millions	Note	2020	2019
Trade payables		298.6	281.7
Trade payables due to related parties	(30)	81.4	85.0
Amounts payable under the securitization agreement		113.6	76.7
Accrued interest to non-controlling interests		12.2	141.2
Other payables		228.7	114.7
Employee benefit liabilities		12.9	14.6
Accrued expenses		235.8	202.1
Accrued interest		24.4	79.1
Deferred revenue		-	3.2
Other tax payable		13.0	6.3
Commodity derivative financial instruments		8.7	17.4
Total		**1,029.3**	**1,022.0**
Non-current		25.7	30.7
Current		1,003.6	991.3
Total		**1,029.3**	**1,022.0**

Information about the Group's exposure to currency and liquidity risk is included in note 6. The carrying amount of 'Trade and other payables' approximates its fair value.

Derivative financial instruments

Derivative financial instruments consist of commodity gas hedges contracts in order to hedge future gas price levels. The fair value of these contracts amounts to USD 8.7 million as per 31 December 2020 (2019: USD 17.4 million). All derivatives included in trade and other payables are classified in the fair value hierarchy level 2.

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21. Provisions

$ millions	Claims and other provisions	Donation provision	Total
At 1 January 2020	**13.6**	**118.7**	**132.3**
Recorded during the year	27.8	-	27.8
Used during the year	(0.2)	-	(0.2)
Reversed	-	-	-
Effect of movement in exchange rates	(0.8)	2.2	1.4
At 31 December 2020	**40.4**	**120.9**	**161.3**
Non-current	3.0	-	3.0
Current	37.4	120.9	158.3
Total	**40.4**	**120.9**	**161.3**

Claims and other provisions
The Group is involved in various litigations and arbitrations. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized. Reference is made to note 28 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

Donation provision
On 13 November 2014, the Company announced that it had decided to transfer the rights to the amounts receivable from the first installment already paid to the Egyptian Tax Authority in 2013 of EGP 2,500 million (approximately USD 360.0 million) to the Tahya Misr ('Long Live Egypt') Fund (reference is made to note 28 for the claim in relation to the OCI S.A.E. tax dispute). No formal agreement has been drafted with the Tahya Misr Fund yet and no payments have been made to the fund. The transfer of rights has been approved by OCI's Board of Directors on 12 November 2014.

Following the guidance under IAS 37 (constructive obligations) the Company has presented the transfer of rights to the Tahya Misr Fund as a donation provision. In March 2015, the Company received a cheque for EGP 1,904 million (approximately USD 266.2 million) from the Egyptian Authorities. At year end 2020 the carrying amount in US dollars had reduced to USD 120.9 million, due to the devaluation of the EGP since March 2015.

Provision for indemnifications
As part of historical transactions, the Group has agreed with the transaction parties on certain indemnities related to potential tax and legal exposures for both parties. Potential outflows of economic resources related to these indemnities contain inherent uncertainties for which the Group engaged renowned local and international law firms to examine OCI's legal position. No information is provided on the specific assumptions included in the estimate of outflows as it would prejudice the Group's position in these disputes.

Sorfert reinvestment case
The Large Multinationals Directorate of the Algerian Tax Authorities (DGE) issued to Sorfert a letter in which its initial claim of DZD 7,296 million (USD 55.4 million) related to the alleged non-compliance of the requirements for the tax exemption granted by the Agency Nationale de Developpement de l'Investissement (ANDI) was maintained. The DGE is of the opinion that Sorfert did not timely carry out the reinvestment obligations as required under ANDI exemption.

As a result, the DGE requires Sorfert to repay the full assumed tax benefit it enjoyed in relation herewith. Sorfert is of the opinion that it has complied with its reinvestment obligations as well as that the basis of any claim should in any case be limited to the source of income that is taxable (local sales only as export sales are exempted under domestic Algerian tax law) and as such Sorfert recorded a provision of USD 1.7 million. This position was examined by various reputable tax advisors who concurred with the opinion of Sorfert.

22. Development of cost of sales and selling, general and administrative expenses

a. Expenses by nature

$ millions	Note	2020	2019
Raw materials and consumables and finished goods		2,105.7	1,884.2
Maintenance and repair		128.4	104.5
Employee benefit expenses	(22b)	364.5	279.4
Depreciation and amortization	(7)	592.2	544.7
Consultancy expenses		33.1	28.6
Other		57.4	86.6
Total		**3,281.3**	**2,928.0**
Cost of sales		3,062.0	2,708.9
Selling, general and administrative expenses		219.3	219.1
Total		**3,281.3**	**2,928.0**

b. Employee benefit expenses

$ millions	Note	2020	2019
Wages and salaries		244.7	188.9
Social securities		7.8	8.1
Employee incentive plans		34.1	31.7
Pension cost		22.1	14.9
Share-based compensation expenses	(22c)	7.9	6.6
Other employee expenses		47.9	29.2
Total		**364.5**	**279.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. Development of cost of sales and selling, general and administrative expenses (continued)

The increase in employee benefit expenses in 2020 compared to 2019 is mainly related to the full year consolidation of Fertil.

During the financial year ended 31 December 2020, the number of key executives was 4 (2019: 3 key executives), which represents the Executive Board members; Nassef Sawiris (Chief Executive Officer from January 1st till August 1st; Executive Chair per August 1st), Hassan Badrawi ('Chief Financial Officer') Maud de Vries (Chief Legal and Human Capital Officer) and Ahmed El-Hoshy (Chief Executive Officer per August 1st). Ahmed El-Hoshy is considered as key management personnel for the full year 2020. During the financial year ended 31 December 2020, the number of staff employed in the Group amounted to 3,682 employees (2019: 3,147 employees).

c. Share-based compensation arrangements

OCI has currently award agreements outstanding under four different share-based compensation plans. In 2020 share based compensation Awards were granted under the existing Performance Share Unit Plan and Restricted Stock Unit Plan.

Share option plans

In 2020 no share options were exercised and all outstanding share options expired per 31 December 2020.

Performance share plan

In 2014, a new performance share plan was introduced for the Executive Board. The share plan comprises the conditional granting of shares in OCI. Each year a plan with a 3-year vesting period starts in which the Company's performance is measured based on total shareholder return ('TSR') against a peer group of companies. The fair value of these awards has been calculated using Monte-Carlo simulations. The number of conditional shares corresponds to a percentage (maximum of 150%) of the fixed reference salary divided by the price of the share on the stock market on the first day of the vesting period. The relative ranking that OCI achieves in the peer group determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the members of the Executive Board for a period of 2 years.

In 2017, in total 190,600 conditional shares have been granted with a fair value of EUR 3.4 million (fair value at grant date EUR 17.710 per share, using a volatility of 39.3%, a risk-free rate of (0.7) percent and a dividend yield of 0.0%). At 30 September 2017, a total of 87,013 conditional shares were vested at a TSR of 55.4% resulting in a total number of shares of 48,239 delivered. In 2020, a total of 103,587 conditional shares have been vested at a TSR of 77.0%, resulting in a total number of shares of 79,762 delivered.

In 2018, in total 166,564 conditional shares have been granted with a fair value of EUR 3.4 million (fair value at grant date EUR 20.770 per share, using a volatility of 37.5%, a risk-free rate of (0.589) percent and a dividend yield of 0.0%).

Bonus matching plan

In 2014, a new bonus matching plan was introduced for the members of the Executive Board and Senior Management. In this plan members of the Executive Board and Senior Management are entitled to buy shares from their annual bonus. The shares will be withheld for a period of three years. After the 3-year period, the participants will receive a bonus share for each share of the plan. For the members of the Executive Board, the shares vested must be retained for a period of 2 years.

In 2017, 95,060 bonus matching rights were granted in the bonus matching plan with a fair value of EUR 1.6 million (with a fair value of EUR 16.59 at grant date equal of the share price at grant date calculated with a dividend yield of 0.0%). In September 2017, 14,496 shares were vested giving a total outstanding at 31 December 2017 of 80,564 bonus matching rights. In 2020, 80,564 shares were vested, resulting in no remaining shares outstanding.

In 2018, 93,451 bonus matching rights were granted in the bonus matching plan with a fair value of EUR 1.7 million (with a fair value of EUR 18.085 at grant date equal of the share price at grant date calculated with a dividend yield of 0.0%). At 31 December 2020, all shares were outstanding to be vested at their vesting date.

In 2019 it was decided to discontinue the Bonus Matching Plan for all eligible employees. Current matching rights will continue to vest at their normal vesting date, but no new awards will be made after those made in 2018.

Performance share units plan

In 2019, a new performance share unit plan was introduced for the Executive Board as replacement for the performance share plan. The performance share unit plan comprises the conditional granting of shares in OCI. Each year a plan with a 3-year vesting period starts in which the Company's performance is measured based on total shareholder return ('TSR') against a peer group of companies operating in a similar or the same market. Between 0% and 150% of this award will vest at the end of 3-year performance period based on the actual performance. The fair value of these awards has been calculated using a Monte-Carlo simulations model. The number of performance stock units comprising Shares has been calculated based on the average OCI N.V. closing sales price of the Shares as quoted in Euronext Amsterdam on the date of the grant.

The relative ranking that OCI achieves in the peer group determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the members of the Executive Board for a period of 2 years.

In 2019, in total 230,558 conditional shares have been granted with a fair value of EUR 3.6 million (fair value at grant date EUR 19.46 per share, using a volatility of 34.7%, risk-free rate of (-0.659) percent and expected dividend yield of 0.0%).

In 2020, in total 316,729 conditional shares have been granted with a fair market value of EUR 4.3 million (fair value at grant date EUR 13.69 per share), using a volatility of 34.5%, risk-free rate of (-0.66) percent and expected dividend yield of 0.0%).

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22. Development of cost of sales and selling, general and administrative expenses (continued)

Restricted stock units plan

For the level below the Board, a restricted stock unit plan was implemented to replace the Bonus Matching Plan. First awards granted under this plan was made in 2019. Executive Directors are not eligible for RSU grants. The restricted stock unit plan comprises the conditional granting of shares in OCI. The total gross entitlement of an eligible employee under the applicable short-term incentive plan will be paid out partly in cash in accordance with the short-term incentive plan and partly in awards in accordance with this RSU plan. Shares will vest for 1/3 of the restricted stock units comprising the award at the second anniversary of the date of grant and for 2/3 of the restricted stock units comprising the award on the third anniversary of the date of grant subject to still being employed by OCI. The RSU entitles the participants to dividend equivalents. The restricted stock unit plan comprises the conditional granting of shares in OCI.

In 2019, in total 206,253 conditional shares have been granted with a fair value of EUR 5.5 million (fair value at grant date of EUR 26,45 per share equals the share price at grant date calculated with a dividend yield of 0.0%).

In 2020, in total 89,900 conditional shares have been granted with a fair value of EUR 0.95 million (fair value at grant date of EUR 10.52 per share equals the share price at grant date calculated with a dividend yield of 0.0%).

The fair value of the RSUs awarded is based on OCI's share price at the grant date. Furthermore, when measuring the fair value of RSU share awards, there may be an adjustment for any expected dividends. In this case, there will be no adjustment for dividends since the participants are entitled to dividend equivalents during the vesting period.

23. Other income

$ millions	2020	2019
Insurance proceeds	3.7	3.3
Fertiglobe business combination	13.3	-
Other	0.6	2.5
Total	**17.6**	**5.8**

Insurance proceeds in 2020 of USD 3.7 million relate to BioMCN. For the Fertiglobe business combination reference is made to note 2.2.1.

24. Other expenses

$ millions	Note	2020	2019
Loss on sale of scrapped assets		-	0.9
Other	21	23.4	3.6
Total		**23.4**	**4.5**

For the other expense related to the provision for indemnifications, reference is made to note 21.

25. Net finance cost

$ millions	2020	2019
Interest income on loans and receivables	4.4	5.9
Foreign exchange gain	208.1	54.9
Finance income	**212.5**	**60.8**
Interest expense and other financing costs on financial liabilities measured at amortized cost	(307.5)	(311.8)
Foreign exchange loss	(104.9)	(75.9)
Finance cost	**(412.4)**	**(387.7)**
Net finance cost recognized in profit or loss	**(199.9)**	**(326.9)**

The foreign exchange gains and losses mainly relate to external financing, FX derivatives and to the revaluation of intercompany balances in foreign currencies (for which the statement of profit or loss impact is not eliminated in the consolidated financial statements). In 2020, the Company recorded a gain of USD 45.6 million resulting from a settlement of its FX derivatives. Included in the interest expense and other financing costs on financial liabilities measured at amortized cost is a call premium of USD 33.3 million (2019: USD 6.3 million) related to early redemption of bonds.

For the interest expense related to lease obligations reference is made to note 19.

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26. Earnings per share

	2020	2019
i. Basic		
Net (loss) attributable to shareholders	(177.7)	(334.7)
Weighted average number of ordinary share (Basic)	209,709,296	209,461,639
Basic earnings per ordinary share	**(0.847)**	**(1.598)**
ii. Diluted		
Net (Loss) attributable to holders of ordinary shareholders	(177.7)	(334.7)
Weighted average number of ordinary shares (Basic)	209,709,296	209,461,639
Adjustment for assumed equity-settled share-based compensation	anti-dilutive	anti-dilutive
Diluted earnings per ordinary share	**(0.847)**	**(1.598)**

Weighted average number of ordinary shares calculation

shares	2020	2019
Issued ordinary shares at 1 January	210,306,101	210,306,101
Effect of treasury shares held	(596,805)	(844,462)
Weighted average number of ordinary shares outstanding as per 31 December	**209,709,296**	**209,461,639**

27. Segment reporting

OCI's reportable segments are consistent with how the Chief Operating Decision Maker ('CODM') manages the business operations and views the markets it serves. The reportable segments are: Methanol US, Methanol Europe, Nitrogen US, Nitrogen Europe and Fertiglobe. The organizational structure of the segments is based on a number of factors that the CODM uses to evaluate, view, and direct business operations.

Segment policy

The Company derives the results of the business segments directly from its internal management reporting system. All segments are managed separately because they require different operating strategies and use their own assets and employees. The entities grouped together in each segment have similar regulatory environments, macroeconomic conditions, banking, insurance and public utilities.

The Group has two revenue streams from contracts with customers that relate to the sale of goods, namely, Nitrogen and Methanol.

Segment revenues includes revenues from sales to external customers and intersegment revenues. EBITDA, Adjusted EBITDA and Profit / (loss) are the primary performance measure used by our CODM to evaluate operating results and allocate capital resources among segments. These are also the profitability measures used to set management and executive incentive compensation goals. 'Other' consists of share-based compensation and certain corporate general and administrative expenses that are not allocated to the segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be reasonably and consistently re-allocated.

A summary description of each reportable segment is as follows:

Methanol US

This segment consists of OCI Beaumont (OCIB), Natgasoline LLC and the trading entities: OCI Methanol and Marketing LLC (OMM US).

OCI Beaumont is an integrated methanol and ammonia production facility that is strategically located on the Texas Gulf Coast near Beaumont. Natgasoline LLC is a world scale methanol production complex in Beaumont, Texas. OCI and its partner, Consolidated Energy Limited (CEL)/G2X, each own 50% stakes.

Natgasoline LLC is an equity-accounted investee of the Group, reference is made to note 10. Natgasoline commenced production in 2018 and due to the similarities in regulatory environment, products and customer base, this equity accounted investee has been included in the 'Methanol US' segment as of 2018 on a proportionally consolidated basis. The elimination column is used to eliminate the proportionally consolidated figures of Natgasoline that are included in the US Methanol segment and to include the investment in, and results from Natgasoline (associate) and thereby reconcile to the Group's reported figures.

OCIB and Natgasoline sell mainly domestically; primarily to industrial customers in and around the U.S. Gulf Coast through pipeline connections to adjacent customers, port access with dedicated methanol and ammonia import / export jetties, and truck loading facilities for both methanol and ammonia. OMM US is a trading entity that sells products produced by OCIB and Natgasoline.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. Segment reporting (continued)

Methanol Europe
This segment consists of BioMCN, located at Delfzijl in the Netherlands, OCI Fuels Ltd, OCI Fuels B.V and OCI Methanol Marketing B.V. (OMM EU). BioMCN is one of Europe's largest methanol producers. BioMCN produces two types of methanol: bio-methanol and regular (also known as grey) methanol. OCI Fuels is a trading entity that supplies biogas, which is processed into bio-methanol and bio-fuel, and sells the bio-methanol products produced by BioMCN. OMM EU is a trading entity that sells grey methanol products produced by BioMCN.

Nitrogen US
This segment consists of Iowa Fertilizer Company (IFCo), a wholly owned nitrogen fertilizer complex in Iowa and the trading entity, N-7. IFCo products are sold via the trading entity.

Nitrogen Europe
This segment consists of OCI Nitrogen. OCI Nitrogen is Europe's second largest integrated nitrates fertilizer producer and the world's largest melamine producer with production site in Geleen, the Netherlands.

Fertiglobe (previously Nitrogen MENA)
During 2019 OCI and ADNOC completed a transaction to combine ADNOC's fertilizer business into OCI's Middle East and North Africa (MENA) nitrogen fertilizer platform, creating Fertiglobe. The Fertiglobe segment consists of the following entities: Egyptian Fertilizer Company (EFC), Egypt Basic Industries Corporation (EBIC), Sorfert, Fertil, Fertiglobe Distribution (FD), OCI Fertilizer Trading (OFT), OCI Fertilizer Trade and Supply (OFTS) and OCI S.A.E. EFC is a granular urea producer in Egypt. EBIC is an ammonia plant in Egypt. Sorfert is a partnership with Algeria's state-owned oil and gas authority and is one of the largest nitrogen fertilizer producers in North Africa. Fertil is a producer of urea fertilizer in Abu Dhabi. FD, OFT and OFTS are trading entities based in Abu Dhabi, Dubai and the Netherlands.

Other
This segment consists of all remaining entities of the Group.

2020 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	465.7	339.1	547.9	752.9	1,550.8	1.3	(183.6)	3,474.1
EBITDA[2]	148.2	23.0	181.0	125.1	437.5	(54.2)	(81.4)	779.2
Adjusted EBITDA[2]	135.6	21.6	181.0	132.3	441.0	(39.4)	(2.3)	869.8
Income from equity-accounted investees	-	-	-	2.3	-	-	(39.0)	(36.7)
Depreciation and amortization	(153.1)	(28.5)	(142.7)	(82.9)	(268.0)	(3.8)	86.8	(592.2)
Finance income	0.6	0.1	0.3	7.2	33.6	280.3	(109.6)	212.5
Finance expense	(34.0)	(4.4)	(128.6)	(9.9)	(87.0)	(289.5)	141.0	(412.4)
Income tax (expense) / income	1.4	0.8	(0.1)	(13.4)	(40.9)	7.7	-	(44.5)
Net profit / (loss)	**(36.9)**	**(9.0)**	**(90.1)**	**28.4**	**75.2**	**(59.6)**	**(2.1)**	**(94.1)**
Equity-accounted investees	-	-	-	15.6	-	0.2	452.9	468.7
Capital expenditures PP&E	56.5	38.1	9.8	92.0	66.4	0.7	(10.7)	252.8
Total assets	**1,605.7**	**436.6**	**2,192.4**	**743.9**	**4,616.3**	**102.0**	**(599.9)**	**9,097.0**

[1] Including ammonia at OCIB

[2] OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 197-198 of this report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. Segment reporting (continued)

2019 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	512.1	280.1	541.0	812.1	1,055.5	-	(169.1)	3,031.7
EBITDA[2]	72.2	(6.3)	219.5	150.5	369.8	(107.7)	(48.3)	649.7
Adjusted EBITDA[2]	91.8	(4.9)	219.5	152.4	374.3	(84.7)	-	748.4
Income from equity-accounted investees	1.4	-	-	2.6	-	(0.1)	(60.5)	(56.6)
Depreciation and amortization	(151.6)	(14.6)	(152.7)	(71.3)	(222.6)	(4.4)	72.5	(544.7)
Finance income	0.9	-	1.1	4.1	15.1	157.2	(117.6)	60.8
Finance expense	(69.3)	(1.2)	(117.5)	(7.2)	(151.2)	(195.2)	153.9	(387.7)
Income tax (expense) / income	(0.1)	(24.4)	(0.5)	(16.6)	(15.1)	34.8	-	(21.7)
Net profit / (loss)	**(146.3)**	**(46.5)**	**(50.1)**	**62.1**	**(4.0)**	**(115.4)**	**-**	**(300.2)**
Equity-accounted investees	-	-	-	14.4	-	0.7	491.8	506.9
Capital expenditures PP&E	57.6	66.6	36.7	80.9	50.6	0.8	(5.0)	288.2
Total assets	**1,627.2**	**369.2**	**2,269.0**	**675.1**	**4,859.5**	**248.0**	**(628.4)**	**9,419.6**

[1] Including ammonia at OCIB

[2] OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 197-198 of this report.

Until 2019 OCI Fuels Ltd. was included in segment Methanol US. Effective 1 January 2020, OCI Fuels Ltd. will be combined with OCI Fuels B.V. in the segment Methanol Europe. The comparative numbers of 2019 are restated to reflect that change.

Geographical information of continuing operations

The geographic information below analyses the Group's revenue (by destination of the goods) and non-current assets (by the Company where the activities are being operated). OCI has no single customer that represents 10 percent or more of revenues and therefore information about major customers is not provided.

	Revenue		Non-current assets	
$ millions	2020	2019	2020	2019
Europe	1,218.8	1,235.8	878.3	775.2
Americas	1,281.2	1,330.3	2,916.1	3,123.4
Africa & Middle East	302.0	184.7	3,697.2	4,098.6
Asia & Oceania	672.1	280.9	21.6	1.6
Total	**3,474.1**	**3,031.7**	**7,513.2**	**7,998.8**

The key performance obligation of the OCI group is always the supply of products as specified in the contracts with customers, possible additional performance obligations included are transportation and related cost of insurance, depending on the incoterms. The Group has two revenue streams from contracts with customers that relate to the supply of products i.e. Nitrogen and Methanol. No impairment losses on receivables have been recognized (reference is made to note 6.1 and note 9).

Based on the IFRS 15 accounting policies adopted, the following modifications to the contracts are allowed: discounts and rebates. They are all taken into account when presenting the segment revenues. Time value of money is not considered to be relevant for the amendment of the revenue amount, as the payment terms are short. Also, there are no non-cash considerations that would need to be disclosed separately. No information is provided about remaining performance obligations at current and comparative year end date that have an original expected duration of one year or less, as allowed by IFRS 15.

28. Contingencies

Contingent liabilities

Letters of guarantee / letters of credit

OCI has a guarantee facility with Rabobank for a maximum guarantee amount of USD 140.6 million (EUR 115.0 million). Under this guarantee facility, USD 83.3 million (EUR 68.2 million) has been utilized. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

OCI has an uncommitted surety facility with Tokio Marine Europe SA and Zürich Insurance PLC for a maximum guarantee amount of USD 30.6 million (EUR 25.0 million). This facility is fully utilized. The facility is used to issue a performance guarantee on behalf of OCI Nitrogen BV.

OCI also has an uncommitted facility for the issuance of payment undertakings with BNP Paribas for an amount of USD 93.7 million, fully utilized.

Outstanding letters of credit as at 31 December 2020 (uncovered portion) amounted to nil.

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28. Contingencies (continued)

Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defendants or claimants. These litigations are carefully monitored by the entities' management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. OCI does not expect these proceedings to result in liabilities that have a material effect on the Company's financial position.

In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 21 'Provisions'. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, OCI cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

Sorfert legal case

On 5 March 2018, the lower criminal court of Oran (Tribunal du pôle pénal spécialisé d'Oran) issued a judgment against Sorfert regarding an alleged violation of exchange control regulations as well as the regulation of public markets and public service delegations. The lower court ordered Sorfert to pay a fine in the amount of 5.5 billion Algerian dinars (about USD 42.1 million) and an officer of the company received a fine of DZD 2.8 billion (about USD 21.1 million). On 7 March 2018, Sorfert lodged an appeal with the Court of Appeal of Oran, Algeria who upheld the verdict against Sorfert in its judgment rendered on 28 November 2018. In January 2019, Sorfert lodged an appeal against this judgment with the Supreme Court. Sorfert disputes the validity of the judgment and continues to vigorously defend its case. To date, no Supreme Court hearing has been scheduled and during the appeal period the enforcement of the judgment is suspended. Various renowned local and international law firms have examined OCI's legal position. No provision has been recorded by the Group related to this matter.

EBIC free zone status

On 20 April 2013, the Administrative Court ruled in favor of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones ('GAFI') filed an appeal before the Administrative Court. The Court has not yet rendered a decision. OCI concluded to release the (deferred) tax liabilities totaling USD 138.2 million at 31 December 2015 and no tax filings have been done by EBIC since the filing for the year 2011. On 4 January 2018, GAFI issued an executive decision that allows for the enforcement of the Administrative Court's judgment in favor of EBIC and EBIC received the Free Zone Status tax card. EBIC's free zone status will remain subject to the outcome of the Appeal before the Administrative Court.

OCI S.A.E. tax dispute

In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, Orascom Construction Industries S.A.E. ('OCI S.A.E.'). The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted of tax, management entered into a settlement agreement whereby EGP 7.1 billion would be paid over a 5-year period.

The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Following the change in government, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision without including new facts or documents. The appeal is ongoing. OCI S.A.E. and its local counsel believe the likelihood of a judgment in favor of the ETA is not probable. On 13 November 2014 OCI S.A.E. announced that it would transfer its rights to EGP 1.9 billion undue paid tax amounts to the Tahya Misr Fund and recorded a provision for this amount, reference is made to note 21 Provisions.

Despite the ETA Independent Appeals Committee ruling in favor of OCI S.A.E., OCI S.A.E. was still held to pay EGP 900 million. OCI S.A.E. has lodged a reimbursement claim for this amount. As this dispute occurred prior to the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, any liabilities and any recoveries are shared on a 50:50 basis between OCI N.V. and OC. Should the ETA win their appeal, OCI N.V.'s maximum share of the tax claim would be EGP 2.3 billion, which equates to approximately USD 146.0 million.

Asset retirement obligations

Sorfert has a contractual asset retirement obligation in connection with the lease of its land. This asset retirement obligation is being disclosed as a contingent liability because it is not possible to determine a reliable estimate in both timing and value of this obligation.

OCI Nitrogen entered into agreements with DSM and associated company Sitech for respectively the lease of the sites (land) on which it operates its plant and site services/usage. These agreements have an indefinite term and include an asset dismantling obligation and the obligation to clean up environmental pollution occurred after zero measurement. These obligations have not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

Fertil entered into an agreement with ADNOC for the lease of the land on which it operates its plant. The agreement has an indefinite term and includes an asset dismantling obligation and the obligation to clean up environmental pollution occurred after decommissioning. This obligation has not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

Contingent assets

A sequence of historical transactions resulted in (gross) deductible temporary tax differences of USD 1.4 billion. However, due to a difference in interpretation of local tax regulations, the deductible temporary differences do currently not yet meet the recognition criteria of IAS 12/ IFRIC 23. The group company concerned is currently under examination of the tax authorities in the respective jurisdiction. A definitive conclusion on the treatment is not expected within a short timeframe.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER CONTINUED

29. Commitments

29.1 Biogas purchase agreements

OCI enters into biogas purchase agreements around the USA for the production of bio-methanol in the methanol plant in Beaumont (Texas, USA) and for sale to the USA transportation market. Through these long-term agreements OCI purchases biogas for a fixed price. Per 31 December 2020, an expected 13.0 million mmbtu biogas will be purchased over the coming years (2021 - 2026). The total expected purchase commitment per 31 December 2020 amounts to USD 158.2 million. Total contract value is 21.6 million mmbtu and the total contract value is USD 260.1 million.

29.2 Capital commitments

Capital commitments relate to purchase commitments of property, plant and equipment.

$ millions	2020	2019
OCI Beaumont	-	15.3
Sorfert	19.9	32.7
Fertil	8.5	8.9
BioMCN	7.6	13.7
OCI Nitrogen	7.9	21.9
EFC	1.3	3.5
IFCo	4.6	1.8
Total	**49.8**	**97.8**

30. Related party transactions

Transactions with related parties – normal course of business

Transactions with related parties occur when a relationship exists between the Company and their directors and key management personnel. The Company engages in two types of related party transactions:

- Those with NNS Luxembourg Sarl for occasional consultancy services and the Executive Chair's travel as per his right to expense the use of a private aircraft for OCI-related business travel; and
- The Company's former construction arm which was divested on 7 March 2015 and incorporated as a separate legal entity in the United Arab Emirates. The Sawiris Family, the majority shareholders of OCI, also owns the majority of the outstanding shares of OC, which qualifies OC and its subsidiaries to be classified as related parties.

OCI has ongoing construction contracts with OC Group. The transactions with the following entities of the OC Group are presented in the financial statements as related party transactions:

- Orascom Construction PLC ('OC')
- OCI Construction Holding Cyprus
- Orascom E&C ('OEC')
- Contrack International Inc. ('Contrack')
- Orascom Construction Egypt

Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

30. Related party transactions (continued)

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2020:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Orascom Construction Egypt	OC group company	-	-	-	0.9	-	-
OCI Construction Holding Cyprus	OC group company	-	-	-	0.8	-	-
Orascom Construction PLC	OC group company	-	-	-	0.2	-	-
NNS Luxembourg Sarl	Related via shareholder			0.2	0.2		
Nassef Sawiris	Executive Chair	-	-	0.7	0.2	-	-
Total		**-**	**-**	**0.9**	**2.3**	**-**	**-**

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2019:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Orascom Construction Egypt	OC group company	-	-	-	0.3	-	-
Contrack International	OC group company	-	-	0.1	0.5	-	-
OCI Construction Holding Cyprus	OC group company	-	-	-	0.8	-	-
Orascom Construction PLC	OC group company	-	0.2	-	-	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	7.1	-	-
Nassef Sawiris	CEO	-	-	1.0	0.2	-	-
Total		**-**	**0.2**	**1.3**	**8.9**	**-**	**-**

Transactions with associates and joint ventures

OCI conducts transactions with its associates and joint ventures (as defined in note 3.2, together "Equity-accounted investees") in the ordinary course of business by buying and selling goods and services from and to various Equity-accounted investees within the group.

These associates and joint ventures are:

- Firewater LLC
- Natgasoline LLC
- Fitco OCI Agro S.A.
- Shanxi Fenghe Melamine Company Ltd.
- Nitrogen Iberian Company SL
- Sitech Manufacturing Services C.V.
- Sitech Utility Holding Beheer B.V
- Sitech Utility Holding C.V.
- Sitech Services B.V.
- Utility Support Group B.V.

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2020:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Natgasoline LLC	Related via an associate	6.4	-	130.8	20.8	-	-
Sitech Manufacturing Services C.V.	Associate	-	0.3	138.4	52.0	-	-
Utility Support Group B.V.	Related via an associate	13.3	1.2	53.3	4.5	56.8	1.8
Sitech Services B.V.	Associate	-	-	17.4	2.2	-	-
OCI Nitrogen Iberian Company	Joint venture	17.8	-	-	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.5	0.1	15.1	-	-	-
Total		**38.0**	**1.6**	**355.0**	**79.5**	**56.8**	**1.8**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

30. Related party transactions (continued)

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2019:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Natgasoline LLC	Related via an associate	6.7	0.2	143.7	34.9	-	-
Sitech Manufacturing Services C.V.	Associate	-	-	123.9	29.3	-	-
Utility Support Group B.V.	Related via an associate	17.0	3.1	64.1	8.2	52.1	1.8
Sitech Services B.V.	Associate	-	-	16.6	2.6	-	-
OCI Nitrogen Iberian Company	Joint venture	13.4	-	-	1.1	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	-	0.1	20.6	-	-	-
Total		**37.1**	**3.4**	**368.9**	**76.1**	**52.1**	**1.8**

Transactions and balances with equity-accounted investees and related parties

As these are transactions with Equity-accounted investees and related parties, the terms and conditions may not necessarily be the same as transactions negotiated between third parties. Management believes that the terms and conditions of all transactions with our Equity-accounted investees and related parties are generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services.

The loan receivable balance from Utility Support Group consists of 2 loans:

- A Credit Facility of EUR 44.0 million that bears interest at a rate of 6 month Euribor + 3% (floor of 3.5% all in rate) and is repayable on 30 September 2021.
- A Loan of EUR 2.4 million that bears interest at a rate of 12 month Euribor + 1.7% (no floor) and is repayable on 30 September 2021.

31. Remuneration of the Board of Directors (key management personnel)

We considered the members of the Board of Directors (Executive and Non-executive) to be the key management personnel as defined in IAS 24 'Related parties'. For transactions with key management personnel reference is made to note 30. No other benefits or remuneration were provided to or have been entered into with above mentioned key management personnel except as disclosed below.

Remuneration of the Directors

During the financial year ended 31 December 2020, the total remuneration costs relating to the Executive Directors amounted to USD 11.9 million (2019: USD 8.9 million) consisting of the elements listed in the table below:

2020	Age	Base salary[1]	Annual bonus	Share-based compensation	Total remuneration[1]
N. Sawiris	59	1,583,334	-	2,393,191	3,976,525
H. Badrawi	44	1,150,000	878,715	1,193,956	3,222,671
M. de Vries	48	526,667	402,426	356,049	1,285,142
A. El-Hoshy	36	1,091,667	921,032	1,420,277	3,432,976
Total		**4,351,668**	**2,202,173**	**5,363,473**	**11,917,314**

[1] These figures exclude employer's social security payments (USD 0.6 million).

2019	Age	Base salary[1]	Annual bonus	Share-based compensation	Total remuneration[1]
N. Sawiris	58	2,000,000	1,200,000	2,641,951	5,841,951
H. Badrawi	43	1,150,000	552,000	863,471	2,565,471
M. de Vries	47	280,000[2]	134,400	108,060	552,460
Total		**3,430,000**	**1,886,400**	**3,613,482**	**8,929,882**

[1] These figures exclude employer's social security payments (USD 0.6 million) and medical insurance, if applicable.

[2] With effect from 1 June 2019.

As at 31 December 2020, the Executive Directors held no stock options (2019: 35,000). The 35,000 stock options outstanding expired during 2020.
Mr. Badrawi participated in this plan before he was appointed as a board member for OCI N.V.

	Outstanding year end 2019	Granted	Exercised	Expired	Outstanding year end 2020	Exercise price	Expiration
H. Badrawi	35,000	-	-	35,000	-	-	31-12-2020
Total	**35,000**	**-**	**-**	**35,000**	**-**	**-**	**-**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

31. Remuneration of the Board of Directors (key management personnel) (continued)

At 31 December 2020, the Executive Directors held 713,851 conditional performance shares (2019: 411,478 excluding the conditional performance shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2019	Granted conditional	Vested	Less / more due to TSR	Outstanding year end 2020	Vesting date
N. Sawiris	103,587	-	(79,762)	(23,825)	-	25-02-2020
	84,873	-	-	-	84,873	25-02-2021
	116,002	-	-	-	116,002	07-02-2022
	-	135,354	-	-	135,354	07-02-2023
N. Sawiris total	**304,462**	**135,354**	**(79,762)**	**(23,825)**	**336,229**	
H. Badrawi	40,315	-	-	-	40,315	25-02-2021
	66,701	-	-	-	66,701	07-02-2022
	-	77,829	-	-	77,829	07-02-2023
H. Badrawi total	**107,016**	**77,829**	**-**	**-**	**184,845**	
M. de Vries	-	32,485	-	-	32,485	07-02-2023
M. de Vries total	**-**	**32,485**	**-**	**-**	**32,485**	
A. El-Hoshy	41,376[1]	-	-	-	41,376	25-02-2021
	47,855[1]	-	-	-	47,855	07-02-2022
	-	71,061	-	-	71,061	07-02-2023
A. El-Hoshy total	**89,231**[1]	**71,061**	**-**	**-**	**160,292**	
Total	**500,709**	**316,729**	**(79,762)**	**(23,825)**	**713,851**	

[1] These conditional performance shares were granted before appointment to the Board.

As at 31 December 2020, the Executive Directors held 38,196 bonus matching shares (2019: 53,834, excluding the bonus matching shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2019	Granted	Vested	Outstanding year end 2020	Vesting date
N. Sawiris	21,571	-	(21,571)	-	11-05-2020[1]
	17,190	-	-	17,190	09-04-2021
N Sawiris total	**38,761**	**-**	**(21,571)**	**17,190**	
H. Badrawi	7,500[2]	-	(7,500)	-	14-04-2020
	1,398	-	-	1,398	09-04-2021
H. Badrawi total	**8,898**	**-**	**(7,500)**	**1,398**	
M. de Vries	1,200[2]	-	(1,200)	-	14-04-2020
	4,975[2]	-	-	4,975	09-04-2021
M. de Vries total	**6,175**[2]	**-**	**(1,200)**	**4,975**	
A. El-Hoshy	12,719[2]	-	(12,719)	-	14-04-2020
	14,633[2]	-	-	14,633	09-04-2021
A. El-Hoshy total	**27,352**[2]	**-**	**(12,719)**	**14,633**	
Total	**81,186**	**-**	**(42,990)**	**38,196**	

[1] The Matching rights granted to N. Sawiris could not vest on 14 April 2020, as OCI was in a Closed Trading Period (share based transactions related to the 2017 Bonus Matching Plan were not allowed during this period under the Insider Trading / Market Abuse Regulations). Accordingly, the 2017 Matching Award vested on 11 May 2020 (the first trading day after the Closed Trading Period).

[2] These bonus matching shares outstanding were granted before appointment to the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER CONTINUED

31. Remuneration of the Board of Directors (key management personnel) (continued)

As at 31 December 2020, the Executive Directors held 61,081 RSU shares (2019: 14,263 excluding RSU shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2019	Granted	Vested	Outstanding year end 2020	Vesting date
M. de Vries	4,754	-	-	4,754	17-04-2021
	9,509	-	-	9,509	17-04-2022
M. de Vries total	14,263	-	-	14,263	
A. El-Hoshy	9,115	-	-	9,115	17-04-2021
	18,231	-	-	18,231	17-04-2022
	-	6,491	-	6,491	07-02-2022
	-	12,981	-	12,981	07-02-2023
A. El-Hoshy total	27,346	19,472	-	46,818	
Total	**41,609**	**19,472**	**-**	**61,081**	

In 2020, the total remuneration costs relating to the Non-Executive Directors amounted to USD 1.7 million (2019: USD 1.5 million) consisting of the elements in the table below:

2020	Annual fixed fee	Audit committee membership	Additional fee	Nomination governance and remuneration committee	Health safety environment committee	Total
M. Bennett	300,000	-	-	7,500	-	307,500
J. Ter Wisch[1]	69,643	9,286	-	3,482	-	82,411
S. Schat	150,000	20,000	-	20,000	-	190,000
A. Montijn-Groenewoud	150,000	-	-	7,500	10,000	167,500
R.J. van de Kraats	150,000	25,000	-	7,500	-	182,500
G. Heckman	150,000	-	-	-	7,500	157,500
J. Guiraud	150,000	20,000	-	7,500	-	177,500
D. Welch	150,000	-	90,000	-	7,500	247,500
D. Fraser	150,000	20,000	-	-	-	170,000
H. van de Kerkhof[2]	29,348	-	-	-	1,467	30,815
Total	**1,448,991**	**94,286**	**90,000**	**53,482**	**26,467**	**1,713,226**

[1] Appointment ended on 17 June 2020.

[2] Appointed on 20 October 2020.

2019	Annual fixed fee	Audit committee membership	Additional fee	Nomination governance and remuneration committee	Health safety environment committee	Total
M. Bennett	290,000	-	-	7,500	3,750	301,250
J. Ter Wisch	145,000	20,000	-	7,500	-	172,500
S. Schat	145,000	20,000	-	17,500	-	182,500
A. Montijn-Groenewoud	145,000	-	-	-	8,750	153,750
R.J. van de Kraats	145,000	25,000	-	7,500	-	177,500
G. Heckman	145,000	-	-	-	8,750	153,750
J. Guiraud	145,000	20,000	-	7,500	-	172,500
D. Welch[1]	88,710	-	-	-	3,750	92,460
D. Fraser[1]	88,710	10,000	-	-	-	98,710
Total	**1,337,420**	**95,000**	**-**	**47,500**	**25,000**	**1,504,920**

[1] Appointed on 29 May 2019.

32. Subsequent events

Iowa Fertilizer Company redemption of bonds

On February 2, 2021 Iowa Fertilizer Company redeemed the outstanding principal amount of the 5.875% of USD 147.2 million. This transaction resulted in additional recurring cash interest savings and marks the continuation of the company's financial policy to optimize its capital structure.

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FOR THE YEARS ENDED 31 DECEMBER CONTINUED

33. External auditors' fee

The service fees recognized in the financial statements 2020 for the service of KPMG amounted to USD 4.7 million (2019: USD 5.3 million). Other assurance services provided to the Group include services related to bond offerings, voluntary audit of other financial statements, agreed upon procedures related to covenant reporting and other statutory requirements.

The amounts per service category are shown in the following table:

	Total service fee		of which KPMG Accountants N.V. (The Netherlands)	
$ millions	**2020**	**2019**	**2020**	**2019**
Audit of group financial statements	3.8	4.3	2.2	2.4
Other assurance services	0.8	0.9	0.7	0.5
Total assurance services	**4.6**	**5.2**	**2.9**	**2.9**
Tax services	0.1	0.1	-	-
Sundry services	-	-	-	-
Total	**4.7**	**5.3**	**2.9**	**2.9**

34. List of principal subsidiaries as per 31 December 2020

Companies	Country	Percentage of interest	Consolidation method
Fertiglobe Holding	UAE	58.00	Full
OCI Fuels B.V.	The Netherlands	100.00	Full
OCI Methanol Marketing B.V.	The Netherlands	100.00	Full
OCI Nitrogen B.V.	The Netherlands	100.00	Full
BioMCN B.V.	The Netherlands	100.00	Full
Iowa Fertilizer Company LLC	United States	100.00	Full
OCI USA Inc.	United States	100.00	Full
OCI Partners LP / OCI Beaumont	United States	100.00	Full
N-7 LLC	United States	50.00	Full
OCI Methanol Marketing LLC	United States	100.00	Full
Key subsidiaries held via Fertiglobe holding			
Ruwais Fertilizers Industries Ltd (Fertil)	UAE	100.00	Full
Egypt Basic Industries Corporation	Egypt	60.00	Full
Egyptian Fertilizers Company	Egypt	99.96	Full
Sorfert Algérie Spa	Algeria	50.99	Full
Orascom Construction Industries S.A.E.	Egypt	99.96	Full
Fertiglobe Distribution Limited	UAE	100.00	Full
OCI Fertilizer Trade and Supply	UAE	100.00	Full
OCI Fertilizer Trading Limited	UAE	100.00	Full

A full list of affiliated companies will be available for public inspection at the Commercial Registry in conformity with the provisions of Article 2:379 and 2:414 of the Dutch Civil Code.

Financial statements

Parent Company

Parent Company Financial Statements

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT

$ millions	Note	31 December 2020	31 December 2019
Assets			
Non-current assets			
Investment in subsidiaries	(41)	7,207.0	7,600.7
Property, plant and equipment		0.8	0.4
Right-of-use assets		0.8	1.2
Financial assets at fair value through other comprehensive income	(43)	2.9	3.4
Other receivables	(42)	881.8	881.8
Deferred tax assets		0.0	4.8
Total non-current assets		**8,093.3**	**8,492.3**
Current assets			
Other receivables	(42)	128.6	51.2
Cash and cash equivalents	(44)	14.2	92.3
Total current assets		**142.8**	**143.5**
Total assets		**8,236.1**	**8,635.8**
Equity			
Share capital	(45),(15)	5.6	5.6
Share premium	(15)	6,316.3	6,316.3
Currency translation reserve		(1,242.2)	(1,692.0)
Financial assets at fair value through other comprehensive income		(1.5)	(0.7)
Other reserves		(117.0)	(120.8)
Retained earnings		269.6	1,195.5
Equity attributable to owners of the Company		**5,230.8**	**5,703.9**
Liabilities			
Non-current liabilities			
Loans and borrowings	(46)	2,660.7	2,622.4
Lease obligations		0.2	0.6
Trade and other payables	(47)	-	-
Deferred tax liabilities	(53)	1.2	-
Total non-current liabilities		**2,662.1**	**2,623.0**
Current liabilities			
Loans and borrowings	(46)	277.2	112.1
Lease obligations		0.6	0.6
Trade and other payables	(47)	65.4	196.2
Income tax payables		-	-
Total current liabilities		**343.2**	**308.9**
Total liabilities		**3,005.3**	**2,931.9**
Total equity and liabilities		**8,236.1**	**8,635.8**

The notes on pages 175 to 185 are an integral part of these parent company financial statements.

Parent Company Financial Statements

PARENT COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2020	2019
Revenue from dividend income	(48)	176.9	52.5
Other income	(50)	0.1	0.2
General and administrative expenses	(49)	(30.7)	(55.1)
Other expenses[1]	(51)	(1,030.1)	(543.7)
Operating profit / (loss)		**(883.8)**	**(546.1)**
Finance income	(52)	235.1	80.3
Finance cost	(52)	(284.7)	(192.2)
Net finance (cost)	(52)	**(49.6)**	**(111.9)**
Profit / (loss) before income tax		**(933.4)**	**(658.0)**
Income tax	(53)	3.3	30.0
Net profit / (loss)		**(930.1)**	**(628.0)**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences		449.8	(122.4)
Items that will not be reclassified to profit or loss			
Changes in fair value of other financial assets		(0.8)	(0.2)
Other comprehensive income, net of tax		**449.0**	**(122.6)**
Total comprehensive income		**(481.1)**	**(750.6)**

[1] Other expenses in 2020 include an impairment of investment in subsidiaries of USD 1,008.6 million (2019: USD 504.8 million), reference is made to note 51.

The notes on pages 175 to 185 are an integral part of these parent company financial statements.

Parent Company Financial Statements

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

$ millions	Note	Share capital (15)	Share premium (15)	Financial assets at fair value through other comprehensive income[1]	Currency translation[2]	Other reserves	Retained earnings	Equity attributable to owners of the Company
Balance at 1 January 2019		**5.6**	**6,316.3**	**(0.5)**	**(1,569.6)**	**(127.2)**	**1,824.6**	**6,449.2**
Net profit / (loss)	(45.2)	-	-	-	-	-	(628.0)	(628.0)
Other comprehensive income		-	-	(0.2)	(122.4)	-	-	(122.6)
Total comprehensive income		**-**	**-**	**(0.2)**	**(122.4)**	**-**	**(628.0)**	**(750.6)**
Treasury shares sold / delivered	(16)	-	-	-	-	7.7	(7.7)	-
Treasury shares acquired	(16)	-	-	-	-	(1.3)	-	(1.3)
Share-based payments	(15)	-	-	-	-	-	6.6	6.6
Balance at 31 December 2019		**5.6**	**6,316.3**	**(0.7)**	**(1,692.0)**	**(120.8)**	**1,195.5**	**5,703.9**
Net profit / (loss)	(45.2)	-	-	-	-	-	(930.1)	(930.1)
Other comprehensive income		-	-	(0.8)	449.8	-	-	449.0
Total comprehensive income		**-**	**-**	**(0.8)**	**449.8**	**-**	**(930.1)**	**(481.1)**
Treasury shares sold / delivered	(16)	-	-	-	-	3.8	(3.8)	-
Treasury shares acquired	(16)	-	-	-	-	-	-	-
Share-based payments	(15)	-	-	-	-	-	8.0	8.0
Balance at 31 December 2020		**5.6**	**6,316.3**	**(1.5)**	**(1,242.2)**	**(117.0)**	**269.6**	**5,230.8**

[1] Cannot be reclassified to profit or loss

[2] Legal reserve under Dutch Law.

The notes on pages 175 to 185 are an integral part of these parent company financial statements.

Parent Company Financial Statements

PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2020	2019
Net profit / (loss)		(930.1)	(628.0)
Adjustments for:			
Depreciation	(49)	0.8	0.7
Interest income	(52)	(65.8)	(41.3)
Interest expense	(52)	198.4	141.8
Net foreign exchange loss	(52)	(83.0)	11.5
Dividend income from subsidiaries	(48)	(176.9)	(52.5)
Impairment of subsidiaries	(41)	1,008.6	504.8
Share-based compensation	(15)	7.9	6.6
Income tax expense	(53)	(3.3)	(30.0)
Changes in:			
Other receivables	(42)	(68.5)	(650.0)
Trade and other payables	(47)	(131.5)	116.5
Cash flows:			
Interest paid		(184.6)	(124.5)
Interest paid Nile Holding loan		(7.1)	-
Interest received		77.0	61.0
Income taxes paid		-	(1.9)
Income taxes received		1.1	-
Dividends received		176.9	28.6
Cash flow (used in) / from operating activities		**(180.1)**	**(656.7)**
Capital contributions to subsidiaries	(41)	-	-
Cash flow (used in) investing activities		**-**	**-**
Purchase of treasury shares	(16)	-	(0.7)
Proceeds from borrowings	(18), (46)	1,675.0	1,631.3
Proceeds from borrowings from subsidiaries	(46)	145.9	68.0
Repayment of borrowings	(46)	(1,756.1)	(936.6)
Repayment of borrowings from subsidiaries	(46)	-	(6.2)
Newly incurred transaction costs	(46)	(10.4)	(17.2)
Settlement of FX derivatives		45.6	-
Payment of lease obligations		(0.6)	(0.6)
Cash flow from financing activities		**99.4**	**738.0**
Net (decrease) in cash and cash equivalents		**(80.7)**	**81.3**
Cash and cash equivalents at 1 January		92.3	11.1
Effect of exchange rate fluctuations on cash held		2.6	(0.1)
Cash and cash equivalents at 31 December		**14.2**	**92.3**

The notes on pages 175 to 185 are an integral part of these parent company financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER

35. General

OCI N.V. ('The Company' or 'OCI') was established on 2 January 2013 as a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI is registered in the Dutch commercial register under no. 56821166 dated 2 January 2013. OCI is a holding company and is tax resident in the Netherlands.

36. Basis of preparation

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU).

The parent company financial statements have been prepared on the historical cost basis, except when otherwise indicated.

The financial year of OCI commences on 1 January and ends on 31 December.

The Company's functional currency is the Euro ('EUR'). Because the Company's major foreign operations have the US dollar as their functional currency, the presentation currency of the Company is the US dollar ('USD').

All values are rounded to the nearest tenth million (in millions of USD), except when stated otherwise.

The parent company financial statements have been authorized for issue by the Company's Board of Directors on 22 March 2021. The financial statements are subject to adoption of the Annual General Meeting of Shareholders.

37. Accounting principles applied

In the parent company financial statements, the same accounting policies have been applied as set out in the notes to the consolidated financial statements, except for the measurement of the subsidiaries as presented under 'Investments in subsidiaries' in the parent company financial statements. These policies have been consistently applied to all years presented.

For the amendments that became applicable and the new standards not yet applicable to OCI, reference is made to note 4.2 of the consolidated financial statements.

38. Summary of significant accounting policies

Investments in subsidiaries

These policies have been consistently applied to all years presented.

In the parent company financial statements, investments in subsidiaries are recorded at cost less impairment. In the parent company statement of profit or loss and other comprehensive income, dividend received from investments in subsidiaries is recorded as dividend income.

Due to this application, the parent company equity and net result are not equal to the consolidated equity and net result. A reconciliation for total equity attributable to owners of the company and total comprehensive income is presented in note 45 to the parent company financial statements.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the parent company financial statements, in the period in which the dividend is approved by the Company's shareholders.

Dividend Income

Dividend income from the Company's subsidiaries is recognized when the right to receive payment is established.

39. Use of estimates and judgments

The preparation of the parent company financial statements requires management to exercise judgment and make estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company financial statements are the impairment of the investments in subsidiaries.

Valuation of investments in subsidiaries

At each balance sheet date, the Company reviews whether there is an indication that its investments in subsidiaries might be impaired.

An indication for impairment of the investments in subsidiaries may include, respectively, management's downward adjustment of the strategic plan. Further indications for impairments of its investments may include other areas where observable data indicates that there is a measurable decrease in the estimated future cash flows. These determinations require significant judgment. In making this judgment, management evaluates, among other factors, the financial performance of and business outlook for its investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Parent Company Financial Statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

39. Use of estimates and judgments (continued)

If any indication for impairment exists, the recoverable amount of the investments is estimated in order to determine the extent, if any, of the impairment loss. An investment is impaired if the recoverable amount is lower than the carrying amount. The recoverable amount is defined as the higher of an investment's fair value less costs to sell and its value in use.

The investments' fair value less costs to sell represents the best estimate of the amount OCI would receive if it sold its investments.

The determination of the investment's value in use is based on calculations using pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period and the terminal value period.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. Any impairment loss is recognized immediately in the statement of profit or loss.

Impairment losses recognized in prior periods shall be reversed only if there has been a change in the estimates or external market information used to determine the investment's recoverable amount since the last impairment loss was recognized. The recoverable amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

40. Financial risk and capital management

Reference is made to note 6 'Financial risk and capital management' in the notes to the consolidated financial statements.

40.1 Credit risk

The maximum exposure to credit risk at the reporting date was as follows:

$ millions	Note	2020	2019
Other receivables	(42)	1,010.4	933.0
Financial assets at fair value through other comprehensive income	(43)	2.9	3.4
Cash and cash equivalents	(44)	14.2	92.3
Total		**1,027.5**	**1,028.7**

The maximum exposure to credit risk for other receivables by geographic region was as follows:

$ millions	2020	2019
Middle East and Africa	-	0.8
Europe	43.3	31.6
Americas	967.1	900.6
Total	**1,010.4**	**933.0**

40.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

At 31 December 2020 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(46)	2,660.7	3,140.1	106.6	3,033.5	-
Loans and borrowings from subsidiaries[1]	(46)	277.2	277.2	277.2	-	-
Trade and other payables	(47)	65.4	65.4	65.4	-	-
Letters of guarantee	(27)	-	-	-	-	-
Total		**3,003.3**	**3,482.7**	**449.2**	**3,033.5**	**-**

[1] The contractual cash flows do not include interest cash flow for the loan received from OCI Overseas Holding since this loan is repayable on demand.

At 31 December 2019 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(46)	2,622.4	3,219.9	138.9	3,081.0	-
Loans and borrowings from subsidiaries[1]	(46)	112.1	112.1	112.1	-	-
Trade and other payables	(47)	196.2	196.2	196.2	-	-
Letters of guarantee	(27)	-	-	-	-	-
Total		**2,930.7**	**3,528.2**	**447.2**	**3,081.0**	**-**

[1] The contractual cash flows do not include interest cash flows for the loans received from OCI Overseas Holding and OCI Nitrogen since these loans are repayable on demand.

OCI N.V. leases office space and vehicles. The office space lease is for an initial period of 7 years, with an option to renew the lease thereafter. Lease payments are indexed annually.

Future minimum lease payments

$ millions	2020
Less than one year	0.6
Between one and five years	0.2
More than five years	-
Total	**0.8**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

40. Financial risk and capital management (continued)

As part of the preparation of the financial statements, the Company has assessed its liquidity risk. Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates, and the ability to arrange financing and obtain waivers for anticipated covenant breaches. Refer to note 6.2 and note 18 of the notes to the consolidated financial statements for the Company's analyses of liquidity risk and debt covenants, respectively. Furthermore, the Company's financial liabilities include loans and borrowings from subsidiaries. Although these loans and borrowings from subsidiaries are sometimes classified as short-term due the contractual terms, the repayment date of these loans and borrowings can be controlled and determined by OCI and may be extended beyond one year.

40.3 Market risk

Foreign exchange risk

As of 31 December 2020, if the US dollar had weakened / strengthened by 8 percent against the Euro with all other variables held constant, the translation of foreign currency receivables, payables, cash and cash equivalents and loans and borrowings would have resulted in an increase / decrease of USD 33.1 million of the profit of the year.

The summary of quantitative data about the Company's exposure to foreign exchange transaction exposure based on risk management policy for the main currencies was as follows:

At 31 December $ millions	2020 USD	2019 USD
Other receivables	961.8	903.1
Trade and other payables	(15.3)	(90.2)
Loans and borrowings	(1,364.2)	(1,437.7)
Cash and cash equivalents	3.9	11.1

The following tables demonstrate the sensitivity to a reasonably possible change in EUR-USD exchange rates, with all other variables held constant. The impact on the Company's general and administrative expenses is due to changes in the fair value of monetary assets and liabilities, including inter-company positions. The Company's exposure to foreign currency changes for all other currencies is not material.

2020 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	8 percent	(33.1)	-
	(8) percent	33.1	-

2019 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	(30.7)	-
	(5) percent	30.7	-

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2020	2019
Effect on profit before tax for the coming year	+100 bps	(3.5)	(1.6)
	- 100 bps	3.5	1.6

Commodity price risk

Natural gas is one of the primary raw materials used in the OCI's production processes. The Company is exposed to natural gas price commodity risk for those entities that buy natural gas at spot prices. Management monitors the development of gas prices and products' selling prices on a daily basis using external historical and forecast market data provided by several data vendors. Management analyzes the potential profit margin per product based on these data in order to make operational and hedging decisions.

The Company enters into gas hedges on behalf of subsidiaries, in order to hedge future gas price levels over a certain period of time. The Company uses derivatives (Basis swaps, Index swaps and options) in order to do so and does not apply hedge accounting on these instruments, therefore all fair value changes related to these financial instruments are recognized in profit or loss.

OCI N.V. is a participating entity in several hedge strategies of the Group. For the hedge strategies reference is made to note 6.3.

European Emission Allowance

Several subsidiaries of OCI N.V. receive European Emission Allowances ("EUAs") as a result of their industrial activities in the Netherlands. The EUAs are granted annually in advance by the Dutch Emission Authority. The amount of EUAs granted is based on an estimate of CO2 emissions in the Netherlands and the effective European emission legislation. In arrears, the subsidiaries have to refund allowances to the Dutch Emission Authority based on actual CO2 emissions during the year. In the event that a deficit in EUAs is identified, the subsidiaries have to purchase additional EUAs on the commodity markets to settle its liability to the Dutch Emission Authority.

During the year, OCI N.V. has generated additional liquidity by selling its EUAs to the market. To manage the price exposure on the liability towards the Dutch Emission Authority, OCI N.V. entered into financial hedges to purchase EUAs. For further information reference is made to note 6.3.

For the fair value of the commodity derivatives reference is made to note 42.

Parent Company Financial Statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

40. Financial risk and capital management (continued)

Categories of financial instruments

2020 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial asset at fair value through other comprehensive income
Assets				
Other receivables	(42)	1,000.2	10.2	-
Financial asset at fair value through other comprehensive income	(43)	-	-	2.9
Cash and cash equivalents	(44)	14.2	-	-
Total		**1,014.4**	**10.2**	**2.9**
Liabilities				
Loans and borrowings from third parties	(46)	2,660.7	-	-
Loans and borrowings from subsidiaries	(46)	277.2	-	-
Trade and other payables	(47)	54.5	10.9	-
Total		**2,992.4**	**10.9**	**-**

2019 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial asset at fair value through other comprehensive income
Assets				
Other receivables	(42)	933.0	-	-
Financial asset at fair value through other comprehensive income	(43)	-	-	3.4
Cash and cash equivalents	(44)	92.3	-	-
Total		**1,025.3**	**-**	**3.4**
Liabilities				
Loans and borrowings from third parties	(46)	2,622.4	-	-
Loans and borrowings from subsidiaries	(46)	112.1	-	-
Trade and other payables	(47)	195.5	0.7	-
Total		**2,930.0**	**0.7**	**-**

The only financial instrument carried at fair value by the Company is the financial asset at fair value through other comprehensive income which is measured with hierarchy level 1 of the fair value hierarchy category.

41. Investment in subsidiaries

$ millions	2020	2019
Balance at 1 January	**7,600.7**	**7,646.3**
Impairment	(1,008.6)	(504.8)
Capital contribution	-	602.9
Exchange rate differences	614.9	(143.7)
Balance at 31 December	**7,207.0**	**7,600.7**

Capital contributions

In 2019, capital contributions of USD 602.9 million were made to OCI Intermediate B.V. in kind by settling loans and receivable balances.

Impairment testing 2020

An impairment trigger was identified in OCI N.V.'s investment in subsidiaries due to a decrease in share price as per 31 December 2020 compared to 2019. As a result, the Group has prepared an impairment test on the investment in subsidiaries in accordance with IAS 36. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount has been estimated based on fair value less cost of disposal. Key elements for the determination of fair value were the share price of OCI N.V. as per 31 December 2020 of USD 19.22 (which is measured with hierarchy level 1 of the fair value hierarchy category), the number of outstanding shares of OCI NV (210,306,101 shares) and a control premium of 30% which is the median bid premium for the acquisitions of Dutch listed companies in the period 2000 – 2019 based on the price paid over and above the trading share price to obtain control and determined to be a reasonable control premium for listed companies. The costs of disposal are assumed to be limited and included in the control premium assumption. This results in a recoverable amount of USD 5,254.1 million.

The carrying amount of OCI Intermediate B.V. (which is the total of the investment in subsidiaries, receivables from subsidiaries and the loans and borrowings) exceeded the recoverable value. As a result, an impairment loss of USD 1,008.6 million is recognized in the Parent company statement of Profit or Loss and Other Comprehensive Income.

List of subsidiaries as per 31 December 2020:

Name	Country of incorporation	Ownership %
OCI Intermediate B.V.	The Netherlands	100.0
OCI UK Ltd.	United Kingdom	100.0

OCI Intermediate B.V. is a holding company which has all operating companies as subsidiaries.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

42. Other receivables

$ millions	2020	2019
Receivables from subsidiaries	995.5	925.6
Receivables from related parties	-	0.2
Commodity derivatives	9.4	-
Foreign currency derivatives	0.8	-
Other receivables	4.7	7.2
Total	**1,010.4**	**933.0**
Non-current	881.8	881.8
Current	128.6	51.2
At 31 December	**1,010.4**	**933.0**

The carrying amount of receivables approximates their fair value.

The assessment of the expected credit losses did not result in an impairment of receivables. This will be monitored on a continuous basis going forward and periodically reassessed.

Specification of receivables from subsidiaries non-current:

$ millions	Type	Interest rate	2020 Long-term	2020 Short-term	2019 Long-term	2019 Short-term
OCI USA Inc.	Unsecured	8% fixed	392.1	-	392.1	-
OCI USA Inc.	Unsecured	6.418% fixed	489.7	-	489.7	
Other receivables subsidiaries	-	-	-	113.7	-	43.8
Total			**881.8**	**113.7**	**881.8**	**43.8**

43. Financial assets at fair value through other comprehensive income

$ millions	2020	2019
Orascom Construction Limited (Dubai)	2.9	3.4
Total	**2.9**	**3.4**

Orascom Construction Limited is a related party.

44. Cash and cash equivalents

$ millions	2020	2019
Bank balances	14.2	92.3
Total	**14.2**	**92.3**

The bank balances are freely available for usage and are not restricted.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

45. Equity attributable to owners of the Parent Company

45.1 Reconciliation of consolidated income and equity attributable to shareholders to Parent Company income and equity attributable to owners

$ millions	2020 Equity	2020 Profit / (loss)	2019 Equity	2019 Profit / (loss)
Consolidated equity attributable to owners of the company	1,131.7	(282.1)	1,357.5	(329.9)
Revaluation of subsidiaries	7,592.0	-	7,592.0	-
Difference gain on demerger 2015	(387.8)	-	(387.8)	-
Difference in profit or loss	2,264.6	256.2	2,008.4	211.5
Other comprehensive income	(1,129.5)	553.4	(1,682.9)	(127.4)
Business combination Fertiglobe	(723.1)	-	(674.8)	-
Other direct equity movements (including impact IFRS 9 adoption)	162.9	-	162.9	-
Impairment subsidiaries	(3,680.0)	(1,008.6)	(2,671.4)	(504.8)
Parent Company equity attributable to owners	**5,230.8**	**(481.1)**	**5,703.9**	**(750.6)**

The differences between total shareholders' equity and total comprehensive income according to the consolidated financial statements and the parent company financial statements in general relate to the accounting of investments at cost (fair value as deemed cost upon adoption of IFRS) in the parent company financial statements and subsequent impairments.

The reconciling items for equity and income are further detailed below.

Revaluation of subsidiaries

The revaluation of subsidiaries of USD 7,592.0 million relates to the step up in fair value at the date of transition to IFRS, 1 January 2014. The revaluation reserve related to the deemed cost value step-up of the subsidiaries was subsequently converted into share capital and partly distributed as part of the demerger transaction of OCI's E&C Business.

Gain on demerger

In the 2015 parent company financial statements, the demerger gain of USD 243.0 million is lower compared to the demerger gain as reported in the consolidated financial statements of USD 630.8 million as the investment is stated at cost in the parent company financial statements versus the equity value in the 2015 consolidated financial statements.

Difference in profit or loss

The 2020 net result is USD 256.2 million lower in the parent company financial statements as the net loss for 2020 is USD 930.1 million (mainly driven by the impairment in subsidiaries of USD 1,008.6 million), whereas the net loss attributable to owners of the company in the consolidated financial statements was USD 177.7 million.

The 2019 net result is USD 211.5 million lower in the parent company financial statements as the net loss for 2019 is USD 628.0 million (mainly driven by the impairment in subsidiaries of USD 504.8 million), whereas the net loss attributable to owners of the company in the consolidated financial statements was USD 334.7 million.

Other comprehensive income

The reconciliation item 'Other comprehensive income' represents hedge and currency translation differences which are recognized in the consolidated financial statements but not in the parent company financial statements as the investments are stated at cost.

The 2020 difference in income of USD 553.4 million comprises USD 556.2 million of currency translation losses and USD 5.7 million of gains on cash flow hedges and USD 2.9 million losses financial asset at fair value through other comprehensive income, which do not occur in the parent company financial statements.

The 2019 difference in income of USD 127.4 million comprises USD 130.4 million of currency translation gains and USD 0.2 million of gains on cash flow hedges and USD 3.2 million losses financial asset at fair value through other comprehensive income, which do not occur in the parent company financial statements.

Business combination Fertiglobe

The Fertiglobe business combination resulted in an increase of USD 723.1 million in equity attributable to the owners of the company in the consolidated financial statements, but had no impact on the parent company. Reference is made to note 2.2.1. and note 17.

Other direct equity movements

The other direct equity movements mainly relate to the effect of OCI Beaumont buy-back of minority shares net of taxes.

Impairment subsidiaries

The Company recorded an impairment on subsidiaries of USD 1,008.6 million in 2020 (2019: USD 504.8 million).

45.2 Appropriation of net profit / (loss)

$ millions	2020	2019
Added to / (deducted from) retained earnings	(930.1)	(628.0)
Net profit / (loss) attributable to shareholders	**(930.1)**	**(628.0)**

Upon adoption of this proposed net profit / (loss) appropriation, the dividend for the 2020 financial year will be nil. This proposed net profit / (loss) appropriation is in conformity with article 26 of the Company's Articles of Association.

Parent Company Financial Statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

46. Loans and borrowings

$ millions	2020	2019
Senior notes	2,316.1	2,444.3
Term loan and revolving credit facility	344.6	178.1
Sub-total third-party	**2,660.7**	**2,622.4**
OCI Chem 5 B.V.	0.4	-
OCI Overseas Holding Ltd.	0.8	1.1
OCI Nitrogen	267.5	111.0
OCI Methanol Marketing B.V.	4.0	-
OCI Fuels B.V.	3.4	-
OCI Chemicals B.V.	1.1	-
Sub-total subsidiaries	**277.2**	**112.1**
Total	**2,937.9**	**2,734.5**
Non-current	2,660.7	2,622.4
Current	277.2	112.1
At 31 December	**2,937.9**	**2,734.5**

Reference is made to note 18 ‘Loans and borrowings’ of the consolidated financial statements for detailed information on third-party loans and the undrawn bank facility.

The carrying amounts of loans and borrowings from subsidiaries approximates their fair values.

$ millions	2020	2019
Balance at 1 January	2,734.5	2,035.6
Proceeds from borrowings	1,675.0	1,631.3
Proceeds from borrowings subsidiaries	145.9	68.0
Proceeds from borrowings subsidiaries in kind	113.7	44.4
Redemptions of borrowings	(1,756.1)	(936.6)
Redemptions of borrowings subsidiaries	-	(6.2)
Redemptions of borrowings subsidiaries in kind	(114.1)	(66.8)
Newly incurred transaction costs	(9.3)	(22.2)
Amortization of transaction costs / (bond) premiums	24.4	11.4
Effect of movement in exchange rates	123.8	(25.3)
Accrued interest	0.1	0.9
At 31 December	**2,937.9**	**2,734.5**

Net proceeds from borrowings third-party

Proceeds from borrowings in 2020 for the Company totaled an amount of USD 1,675.0 million (2019: USD 1,631.3 million). Reference is made to note 18 of the consolidated financial statements.

Net proceeds from borrowings from subsidiaries in kind

Proceeds from borrowings from subsidiaries in kind of USD 113.7 million consists of USD 113.1 million cashpool settlements and USD 0.6 million settlements with OCI Overseas Holding.

Redemptions of borrowings from subsidiaries in kind

Redemptions of borrowings from subsidiaries in kind of USD 114.1 million consist of USD 113.1 million to OCI Nitrogen and USD 1.0 million to OCI Overseas Holding.

The maturity dates of loans and borrowings from third-party and related party are as follows:

$ millions	2020	2019
2021	-	-
2022	-	-
2023	350.0	1,283.5
2024	1,455.7	1,384.9
2025	889.0	-
Sub-total	**2,694.7**	**2,668.4**
Deducted transaction costs	(34.0)	(46.0)
Total	**2,660.7**	**2,622.4**

Specification of loans and borrowings from subsidiaries:

$ millions	Type	Interest %	2020 Long-term	2020 Short-term	2019 Long-term	2019 Short-term
OCI Overseas Holding Ltd.	Unsecured	LIBOR + 3.25	-	0.8	-	1.1
OCI Nitrogen	Unsecured	0.05%	-	-	-	111.0
OCI Nitrogen	Unsecured	Deposit rate 0%	-	267.5	-	-
OCI Chemicals B.V.	Unsecured	Deposit rate 0%	-	1.1	-	-
OCI Methanol Marketing B.V.	Unsecured	Deposit rate 0%	-	4.0	-	-
OCI Fuels B.V.	Unsecured	Deposit rate 0%	-	3.4	-	-
OCI Chem 5 B.V.	Unsecured	Deposit rate 0%	-	0.4	-	-
Total			**-**	**277.2**	**-**	**112.1**

Parent Company Financial Statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

47. Other payables

$ millions	2020	2019
Payables due to subsidiaries	22.9	128.3
Payables due to related parties	-	7.8
Share-based compensation	-	0.1
Accrued interest	18.8	29.6
Commodity derivative financial instruments	10.9	0.7
Other current liabilities	12.8	29.7
Total	**65.4**	**196.2**
Non-current	-	-
Current	65.4	196.2
Total	**65.4**	**196.2**

The carrying amount of 'Other payables' approximates its fair value.

48. Revenue from dividend income

Revenue from dividend income in 2020 consists of USD 176.9 million from OCI Intermediate of which USD 176.9 million was in cash.

49. Development of general and administrative expenses

a. Expenses by nature

$ millions	Note	2020	2019
Employee benefit expenses	(b)	15.8	15.6
Depreciation		0.8	0.7
Consultancy expenses		12.5	33.1
Other		1.6	5.7
Total		**30.7**	**55.1**

The expenses by nature comprise 'general and administrative expenses'.

b. Employee benefit expenses

$ millions	2020	2019
Wages and salaries	5.5	4.7
Social securities	0.3	0.3
Employee profit sharing	1.5	3.6
Pension cost	0.6	0.5
Share-based compensation expense	7.9	6.5
Total	**15.8**	**15.6**

For specifications on share-based payments, reference is made to note 22c of the notes to the consolidated financial statements.

50. Other income

$ millions	2020	2019
Other	0.1	0.2
Total	**0.1**	**0.2**

51. Other expenses

$ millions	2020	2019
Impairment of subsidiaries	1,008.6	504.8
Other	21.5	38.9
Total	**1,030.1**	**543.7**

Reference is made to note 41 for the impairment of subsidiaries. The decrease in other is mainly due to losses on derivatives in 2019.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

52. Net finance cost

$ millions	2020	2019
Interest income on loans and receivables third-party	0.1	0.2
Interest income on loans and receivables related parties	-	-
Interest income on loans and receivables subsidiaries	65.7	41.1
Foreign exchange gain	169.3	39.0
Finance income	**235.1**	**80.3**
Interest expense and other financing costs on financial liabilities measured at amortized cost third-party	(198.2)	(140.7)
Interest expense and other financing costs on financial liabilities measured at amortized cost related party	-	-
Interest expense and other financing costs on financial liabilities measured at amortized cost subsidiaries	(0.2)	(1.0)
Foreign exchange loss	(86.3)	(50.5)
Finance cost	**(284.7)**	**(192.2)**
Net finance (cost) recognized in profit or loss	**(49.6)**	**(111.9)**

53. Income taxes

53.1 Income tax in the statement of profit or loss

$ millions	2020	2019
Current tax	12.7	29.9
Deferred tax	(9.4)	0.1
Total income tax in profit or loss	**3.3**	**30.0**

Current tax

$ millions	2020	2019
Current year	12.5	20.5
Changes in estimates relating to prior years	0.2	9.4
Income tax benefit / (expense) in profit or loss	**12.7**	**29.9**

Deferred tax

$ millions	2020	2019
Origination and reversal of temporary differences	0.3	0.1
Valuation allowance	(9.7)	-
Income tax benefit / (expense) in profit or loss	**(9.4)**	**0.1**

53.2 Reconciliation of effective tax rate

Reconciliation of the statutory income tax rate in the Netherlands with the effective tax rate can be summarized as follows:

$ millions	2020	%	2019	%
Profit / (loss) before income tax	(933.4)		(658.0)	
Enacted income tax rate in the Netherlands	25%		25%	
Tax calculated at statutory tax rate	**233.4**	**25.0**	**164.5**	**25.0**
Impairment of subsidiaries	(252.2)	(27.0)	(126.2)	(19.2)
Expenses non-deductible[1]	(12.6)	(1.3)	(31.6)	(4.8)
Income not subject to tax[2]	44.2	4.7	13.4	2.1
Unrecognized tax assets	(9.7)	(1.0)	-	-
Changes in estimates relating to prior years	0.2	-	9.9	1.5
Total income tax in profit or loss	**3.3**	**0.4**	**30.0**	**4.6**

[1] The non-deductible expenses mainly relate to non-deductible interest expense as a result of the 30% EBITDA limitation and non-deductible shareholder costs.

[2] Income not subject to tax related to dividend income in 2020 of USD 176.9 million gross.

53.3 Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities:

$ millions	2020	2019
At 1 January	**4.8**	**(1.6)**
Profit or loss	(9.4)	0.1
Effect of movement in exchange rates	-	-
Other	3.4	6.3
At 31 December	**(1.2)**	**4.8**

Parent Company Financial Statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

53. Income taxes (continued)

Other relates to change of position from net operating losses being capitalized on the balance sheet in 2019 to creating a valuation allowance for a deferred tax asset in relation to the operating losses.

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Trade and other receivables	-	-	(0.4)	(0.2)	(0.4)	(0.2)
Loans and borrowings	-	-	(1.1)	-	(1.1)	-
Trade and other payables	0.3	-	-	(1.3)	0.3	(1.3)
Operating losses carry forward and tax credits	-	6.3	-	-	-	6.3
Total	**0.3**	**6.3**	**(1.5)**	**(1.5)**	**(1.2)**	**4.8**
Netting of fiscal positions	(0.3)	(1.5)	0.3	1.5	-	-
Amounts recognized in the Statement of Financial Position	**-**	**4.8**	**(1.2)**	**-**	**(1.2)**	**4.8**

Of the deferred tax liabilities at 31 December 2020, an amount of USD 0.6 million is to be settled within 12 months.

Expiration scheme of gross unrecognized carry forward tax losses:

2020 $ millions	**Less than 1 year**	**Between 1 and 5 years**	**Between 5 and 10 years**	**Between 10 and 15 years**	**Between 15 and 20 years**	**Unlimited**	**Total**
Gross federal tax losses	-	41.6	-	-	-	-	**41.6**
Unrecognized operating losses carry forward	-	**41.6**	-	-	-	-	**41.6**

54. Related party transactions

For an overview of the related parties, reference is made to note 30 of the consolidated financial statements. The Company has the following current account related party balances as at 31 December 2020:

Related party	**Relation**	**Revenue transactions during the year**	**AR outstanding at year end**	**Purchase transactions during the year**	**AP outstanding at year end**	**Loans receivables**	**Loans payables**	**Interest income**	**Interest expense**
Orascom Construction PLC ('OC')	OC group company	-	-	-	-	-	-	-	-
Contrack International	OC group company	-	-	-	-	-	-	-	-
Nassef Sawiris	CEO	-	-	0.7	0.2	-	-	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	0.2	-	-	-	-
Total		**-**	**-**	**0.9**	**0.4**	**-**	**-**	**-**	**-**

The Company has the following current account related party balances as at 31 December 2019:

Related party	**Relation**	**Revenue transactions during the year**	**AR outstanding at year end**	**Purchase transactions during the year**	**AP outstanding at year end**	**Loans receivables**	**Loans payables**	**Interest income**	**Interest expense**
Orascom Construction PLC ('OC')	OC group company	-	0.2	-	-	-	-	-	-
Contrack International	OC group company	-	-	0.1	0.5	-	-	-	-
Nassef Sawiris	CEO	-	-	1.0	0.2	-	-	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	7.1	-	-	-	-
Total		**-**	**0.2**	**1.3**	**7.8**	**-**	**-**	**-**	**-**

The current accounts consist of management fees, transferred cost and other.

All outstanding related party balances are unsecured.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

55. Contingencies

Guarantees

OCI has provided financial guarantees to certain subsidiaries including OCI Nitrogen related to its inventory financing. For OFT, OFTS and OCI S.A.E. a comfort letter was provided by OCI.

The Company has a guarantee facility with Rabobank for a maximum guarantee amount of USD 140.6 million (EUR 115.0 million). Under this guarantee facility, USD 83.3 million (EUR 68.2 million) has been drawn. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

OCI has an uncommitted surety facility with Tokio Marine Europe SA and Zürich Insurance PLC for a maximum guarantee amount of USD 30.6 million (EUR 25.0 million). This facility is fully utilized. The facility is used to issue a performance guarantee on behalf of OCI Nitrogen BV.

The Company also has a guarantee facility with BNP for an amount of USD 93.7 million, that is fully drawn.

56. Employees

The total number of employees in 2020 was 29 (2019: 32 employees).

57. Fiscal unity

OCI N.V. forms a fiscal unity with several Dutch entities for corporation tax purposes. In accordance with the standard conditions, a company and its subsidiaries that form the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity. The following entities are included in the fiscal unity headed by OCI N.V.:

- OCI N.V.
- OCI Intermediate B.V.
- OCI Nitrogen B.V.
- OCI Personnel B.V.
- OCI Terminal Europoort B.V.
- OCI Fertilizers B.V.
- OCI China Holding B.V.

Amsterdam, the Netherlands, 22 March 2021

The OCI N.V. Board of Directors

Michael Bennett

Nassef Sawiris

Ahmed El-Hoshy

Hassan Badrawi

Sipko Schat

Jérôme Guiraud

Robert Jan van de Kraats

Gregory Heckman

Anja Montijn-Groenewoud

Maud de Vries

David Welch

Dod Fraser

Heike van de Kerkhof

OTHER INFORMATION

Extract from the Articles of Association relating to Net Profit /(Loss) appropriation

Article 26. 'Profits and Distributions'.

26.1 The Board may decide that the profits realized during a financial year will fully or partially be appropriated to increase and/or from reserves.

26.2 The profits remaining after application of Article 26.1 shall be put at the disposal of the General Meeting. The Board shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.

26.3 Distributions from the Company's distributable reserves are made pursuant to a resolution of the General Meeting at the proposal of the Board.

26.4 Provided it appears from an interim statement of assets signed by the Board that the requirement mentioned in Article 26.8 concerning the position of the Company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.

26.5 The Board may decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a cash payment and / or as a payment in Shares, out of the profit and / or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Articles 6.2. The Board shall determine the conditions applicable to the aforementioned choices.

26.6 The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.

26.7 The Company may further have a policy with respect to profit participation for employees which policy will be established by the Board.

26.8 Distributions may be made only insofar as the Company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

Other information

KPMG

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of Shareholders of OCI N.V.

Report on the audit of the 2020 financial statements included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of OCI N.V. as at 31 December 2020 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the 2020 financial statements of OCI N.V. (the Company) based in Amsterdam, the Netherlands.

The financial statements comprise:

1 the Consolidated and Parent Company Statement of Financial Position as at 31 December 2020;

2 the following Consolidated and Parent Company Statements for 2020: the Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of OCI N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

INDEPENDENT AUDITOR'S REPORT CONTINUED

Audit approach

Summary

Materiality

- Materiality of USD 30 million for the consolidated financial statements, which is 0.9% of consolidated total revenue;
- Materiality of USD 60 million for the parent company financial statements, which is 0.7% of the parent company total assets.

Group audit

- 98% of total consolidated assets;
- 98% of consolidated revenue.

Key audit matter

1. Recoverable amount in impairment tests;
2. Claims and litigation.

Opinion

Unqualified opinion

Materiality

Based on our professional judgement, we determined the materiality for the consolidated financial statements as a whole at USD 30 million (2019: USD 25 million). The materiality is determined with reference to the consolidated revenues, of which it represents 0.9% (2019: 0.8%). We deem profit before tax from continuing operations as not representative because the benchmark has historically been highly volatile. As such, we consider revenues as the most appropriate benchmark as the Company is result oriented.

We determined a separate materiality for our audit of the parent company financial statements. Based on our professional judgement, we determined the materiality for the parent company financial statements at USD 60 million (2019: USD 60 million) using parent company total assets as a benchmark, of which it represents 0.7% (2019: 0.7%). Given the nature of the parent company's activities – the holding and financing of investments within the Company – we consider the use of the total asset benchmark as most appropriate in respect of the parent company financial statements.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated and parent company financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of USD 1.25 million and USD 3 million which have been identified during the audit of the consolidated and parent company financial statements respectively, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

Scope of the group audit

OCI N.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of OCI N.V.

Our group audit mainly focused on significant components, including the significant equity accounted investment. To ensure sufficient coverage over the group's financial information, we have requested 14 component auditors (2019: 14 component auditors) to perform a full scope audit of the financial information of the related component (audit of complete reporting package). Furthermore, we requested 4 component auditors (2019: 2 component auditors) to perform specified audit procedures. The relative size of the component and the likelihood for the component to include a significant risk were both evaluated in determining the scope of our component audits.

For the remaining components we have performed audit procedures ourselves or performed analytical procedures in order to corroborate our assessment that the risk of material misstatement in the residual population is less than reasonable possible.

We provided detailed instructions to all component auditors as part of the group audit, covering the significant audit areas, including the relevant risks of material misstatement identified by us, and set out the information required to be reported back to us. In view of restrictions, caused by the COVID-19 pandemic, on the movement of people across borders, and also within significantly affected countries, we have considered making changes to the planned audit approach to evaluate the component auditors' communications and the adequacy of their work. According to our original audit plan, we intended to visit the components in countries Abu Dhabi, Algeria, Egypt and United States of America to review selected component auditor documentation. Due to the aforementioned restrictions, this was not feasible in the current environment. As a result, we have requested those component auditors to provide us with remote access to audit workpapers to perform these evaluations, subject to local law and regulations. In addition, due to the inability to arrange in-person meetings with such component auditors, we have increased the use of alternative methods of communication with them, including through written instructions, exchange of emails and virtual meetings.

We have assessed these expanded communications, with additional robust discussions as needed, to ensure that they are sufficient for us to evaluate and conclude on the appropriateness and adequacy of the component auditor's work. Video conferences were held with all the component auditors that were part of the group audit. During these conferences, the planning, audit approach, findings and observations were reviewed and discussed. Any further work deemed necessary was subsequently performed by the component auditors and reviewed by us.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements. This resulted in a coverage of 98% of consolidated total assets and of 98% of consolidated total revenue.

The audit coverage as stated in the section summary can be further specified as follows:

Total assets

Audit of the complete reporting package	Audit of specific items	Specified audit procedures
91%	5%	2%

Revenue

Audit of the complete reporting package	Audit of specific items in revenue is not applicable	Specified audit procedures
79%	0%	19%

INDEPENDENT AUDITOR'S REPORT CONTINUED

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit with respect to fraud and non-compliance with laws and regulations are:

With respect to fraud:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

With respect to non-compliance with laws and regulations:

- to identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and
- to obtain a high (but not absolute) level of assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the Management Board. We refer to chapter 'Risk Management' of the Annual Report where the Management Board included its risk assessment.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We, together with our forensics specialists, evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and we inquired Management Board as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant regulatory authorities.

The potential effect of the identified laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements, including taxation and financial reporting. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items and therefore no additional audit response is necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognised or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- Employment legislation;
- Health and safety regulation;
- Environmental regulation;
- Anti-bribery and corruption laws and regulations;
- Anti-money laundering laws and regulations;
- Trade sanctions and export controls laws and regulations.

In accordance with the auditing standard we evaluated the following fraud and non-compliance risks that are relevant to our audit:

- revenue recognition, in relation to overstatement of revenue due to manual override of sales cut-off and non-routine sales transactions (a presumed risk); and
- management override of controls (a presumed risk).

We communicated the identified risks of fraud and non-compliance with laws and regulations throughout our team and remained alert to any indications of fraud and non-compliance throughout the audit. This included communication from the group to component audit teams, and vice versa, of relevant risks of fraud identified at their respective levels. In all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud.

We communicated our risk assessment and audit response to management as well as the Audit Committee. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Our response

We performed the following audit procedures (not limited) to respond to the assessed risks:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks. In case of internal control deficiencies, where we considered there would be opportunity for fraud, we performed supplemental detailed risk-based testing.
- We performed data analysis of high-risk journal entries. Also we evaluated key estimates and judgements for bias by the Company, including retrospective reviews of prior year's estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- Assessment of matters reported via the Company's whistleblower and complaints hotline and results of management's investigation of such matters.
- With respect to the risk of fraud in revenue recognition we have evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls. We performed substantive audit procedures over the manual and non-routine sales transactions and sales reversal transactions surrounding cut-off to address the significant risk with regards to fraudulent revenue recognition.
- With respect to the risk of bribery and corruption across various countries, we evaluated the Company's controls and procedures such as due diligence procedures on third parties. We considered the possibility of fraudulent or corrupt payments made through third parties including agents and conducted detailed testing on third-party vendors in high-risk jurisdictions.
- We incorporated elements of unpredictability in our audit.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures.
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial statements.

We considered the effect of actual, suspected or identified risk of non-compliance as part of our procedures on the related financial statement items. We do note that our audit is based on the procedures described in line with applicable auditing standards. In addition to the requirements of the auditing standards we have performed, amongst others, the following incremental procedures:

- Incorporated specific procedures on fraud within our selection of high risk journal entries;
- Investigation into publicly held information in relation to negative publicity;
- Interviews with both corporate and local compliance officers and external legal counsel with regards to the Litigation and claims as described in the respective key audit matter.

Our procedures to address identified risks of fraud did not result in a key audit matter. We do note that our audit is not primarily designed to detect fraud and non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Compared to last year the key audit matter with respect to the accounting of the purchase price allocation in respect to the acquisition of Ruwais Fertilizer Industries Ltd. ("Fertil") is not included, as this was a 2019 transaction. Furthermore, compared to last year the key audit matter with respect to litigations and claims has been added.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

#1 Recoverable amount in impairment tests

Description

As described in Note 8 to the consolidated financial statements, management performs a yearly goodwill impairment test. In addition, management performs a triggering event analysis with respect to the valuation of (fixed) assets as described in Note 5.

Impairment tests under IFRS require to assess whether the entities' assets are not carried at more than their recoverable amount (i.e. the higher of fair value less costs of disposal and the value in use). As such, the Company determined the value in use based on the individual cash generating units' value in use. This requires significant estimates in respect of key assumptions used in the value in use models such as:

- production volumes;
- sales prices;
- gas prices;
- terminal growth rate; and
- weighted average cost of capital ("WACC").

Furthermore, as described in Note 41 to the parent company financial statements, management identified a triggering event in respect of the impairment indicators of the valuation of subsidiaries.

With regards to valuation of subsidiaries management has determined the recoverable amount based on the fair value less cost of disposal. The valuation was conducted based on the market capitalisation of the group considering the net-debt position and application of a control premium.

The valuation of goodwill is considered to be significant to our audit due to management judgement involved in the assumptions used and contains a significant risk of error due to the complexity of the calculations .

Our response

We evaluated the design and implementation of relevant controls related to the client impairment trigger assessment and annual goodwill impairment testing. We reviewed the impairment trigger assessment and valuation models as prepared by management, this includes an evaluation of management assessment of cash generating units, the retrospective review and a sensitivity assessment of significant assumptions used in the model.

#1 Recoverable amount in impairment tests (continued)

In our audit we evaluated the appropriateness of the cash flow projections of the identified cash generating units. In respect of the key assumptions, we obtained managements business plans and amongst others:

- compared the production volumes with the historical average's and external forecasts;
- compared the sales prices with historical and external forward prices;
- compared the gas price with historical and external forward gas prices; and
- involved KPMG valuation specialist to recalculated the WACC and assess the reasonableness of the terminal growth rate.

We furthermore specifically focused on the sensitivity in the available headroom, evaluating whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount and assessed the historical accuracy of management's estimates. We involved KPMG valuation specialists to support the audit team in making these assessments. Furthermore, we assessed the adequacy of the disclosure (Note 8) to the consolidated financial statements.

In our audit we evaluated the management's procedures with regards to valuation of subsidiaries based on their fair value less cost of disposal, this assessment includes an evaluation of the design and implementation of relevant controls with regards to management's trigger assessment and the valuation model. An impairment of USD 1,008 million has been recorded. The impairment has been determined based on the cost value of the subsidiaries and the market capitalisation of the group, corrected for net debt and a 30% control premium. We involved KPMG valuation specialists to support the audit team in determining the appropriateness of these assumptions. Furthermore, we assessed the adequacy of the disclosure (Note 41) to the parent company financial statements.

Our observation

Based on our procedures performed, we consider management's key assumptions and methodology used in the impairment tests to be within a reasonable range. Furthermore, we determined that the related disclosure for the valuation of the subsidiaries in the parent company financial statements (Note 41) and the disclosures in respect of the goodwill impairment test (Note 8) are adequate.

KPMG

INDEPENDENT AUDITOR'S REPORT CONTINUED

#2 Litigation and claims

Description

As disclosed in Provisions (Note 21) and Contingencies (Note 28) the Company has several litigations and claims (both legal and tax related) pending, for which the outcome is uncertain. Based on the likelihood of occurrence and the exposure, the Company determines if, and for what amount, a provision should be recognised. This assessment is considered to be significant to our audit due to management judgement involved. As the Company is diversified globally, the pending claims and litigations differ in terms of risk profile.

Our response

During our audit, we performed the following procedures:

- Instructed our component auditors to perform procedures over litigations and claims on a local level;
- Evaluated the legal expenses and requested external legal letters for lawyers involved in litigations and claims;
- Obtained and inspected the quarterly updated Litigation report from Group Legal department;
- Performed quarterly update meetings with Group Legal and Tax departments;
- Obtained internal position papers from management on the cases including the accounting implications;
- Requested external expert opinions for specific cases with a significant exposure;
- Assessed the adequacy of the disclosure to the financial statements.

Our observation

Based on our procedures performed, we verified the reasonableness of the provision recorded for litigations and claims. We consider management's assessment of the exposure and the recording of related provisions to be appropriate. Furthermore, we determined that the related disclosure with regards to Provisions (Note 21) and Contingencies (Note 28) are adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the General Meeting of Shareholders as auditor of OCI N.V. on 17 June 2020 for the year 2020. Our first appointment as statutory auditor of the Company was in 2013 to audit the 2013 financial statements.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

INDEPENDENT AUDITOR'S REPORT CONTINUED

European Single Electronic Format (ESEF)

OCI N.V. has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in the XHTML format, including the partially tagged consolidated financial statements as included in the reporting package by OCI N.V. has been prepared in all material respects in accordance with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package, is in accordance with the RTS on ESEF.

Our procedures taking into consideration Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required taggings have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 22 March 2021

KPMG Accountants N.V.

C.A. Bakker RA

KPMG

INDEPENDENT AUDITOR'S REPORT CONTINUED

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of the Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

In this Annual Report, OCI presents certain financial measures when discussing OCI's performance, that are not measures of financial performance under IFRS. These non-IFRS measures of financial performance (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of OCI's performance and believes that similar measures are widely used in the industry in which OCI operates. OCI believes that an understanding of its financial performance is enhanced by reporting the following APMs:

- EBITDA
- Adjusted EBITDA
- Adjusted net income
- Free cash flow

EBITDA, adjusted EBITDA, adjusted net income and free cash flow are supplemental measures of financial performance that are not required by, or presented in accordance with, IFRS. Therefore, EBITDA, adjusted EBITDA, adjusted net income and free cash flow should be viewed as supplemental but not as a substitute for measures presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, which are determined in accordance with IFRS.

External stakeholders should not consider EBITDA, adjusted EBITDA, adjusted net income and free cash flow (a) as an alternative to operating profit or profit/(loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, and (b) as an alternative to any other measure of performance under IFRS. Because not all companies define adjusted EBITDA, EBITDA, adjusted net income and free cash flow in the same way, these measures may not be comparable to similarly titled measures used by other companies.

Definitions and explanations of the use of the APMs are described below. Reconciliations of the APMs to the most directly reconcilable line item are presented on the following pages.

EBITDA
EBITDA is defined as the total net profit before interest, income tax expenses, depreciation and amortization, foreign exchange gains and losses and income from equity accounted investees.

Adjusted EBITDA
Adjusted EBITDA is defined as EBITDA, adjusted for additional items and costs that management considers not reflective of our core operations.

Adjusted net income
Adjusted net income is the total net profit, adjusted for additional items and costs that management considers not reflective of our core operations.

Free cash flow
Free cash flow (FCF) reflects an additional way of viewing our liquidity that we believe is useful to our investors and is defined as cash flow reflecting the EBITDA for the year, change in working capital, maintenance capital expenditure, taxes paid, cash interest paid, lease payments, dividends from equity accounted investees, dividends paid to non-controlling interests and adjustment for other non-cash items.

Reconciliation of operating profit to adjusted EBITDA

$ million	2020	2019
Operating profit	187.0	105.0
Depreciation & Amortization	592.2	544.7
EBITDA	779.2	649.7
APM adjustments	90.7	98.7
Adjusted EBITDA	869.9	748.4

APM adjustments at EBITDA level

$ million	2020	2019
Natgasoline	65.9	59.8
Unrealized result natural gas hedging	(8.6)	4.8
Gain on purchase related to Fertiglobe	(13.3)	-
Expenses related to expansion projects	-	1.4
Hurricane Laura	10.0	-
Mandatory inspection at OCI Nitrogen	7.2	-
Other including provisions	29.5	32.7
Total APM adjustments at EBITDA level	**90.7**	**98.7**

ALTERNATIVE PERFORMANCE MEASURES (APMs) CONTINUED

The main APM adjustments at EBITDA level in 2020 and 2019 relate to:

- Natgasoline is not consolidated and an adjustment of USD 65.9 million was made for OCI's 50% share in the plant's EBITDA in 2020. Natgasoline's contribution to adjusted EBITDA in 2019 was USD 59.8 million.
- The unrealized results on natural gas hedge derivatives of USD (8.6) million in 2020 and USD 4.8 million in 2019 relate to hedging activities at OCI Beaumont and in the Netherlands.
- Due to the final post-completion settlement related to Fertiglobe, a gain on purchase of USD 13.3 million was recorded in the income statement.
- OCI Beaumont and Natgasoline were pre-emptively shut down ahead of the arrival of hurricane Laura in 2020. As a result of the hurricane both entities faced certain additional costs (mainly related to start-up costs, e.g. incremental gas costs), loss on third party purchases due to committed sales volumes and estimated lost margins. The resulting total impact of lost methanol revenues and margin is estimated to be USD 10 million.
- The impact of the mandatory inspection stop due to COVID-19 rescheduling at OCI Nitrogen resulted in an estimated negative impact on cost absorption based on regular utilization rates and certain directly allocated costs totaling to USD 7.2 million.
- Other adjustments of USD 29.5 million in 2020 mainly relates to movements in provisions related to ongoing litigation and claims (USD 32.7 million in 2019 related to Fertiglobe transaction costs, provisions and the fair value adjustment on inventories as part of the Fertiglobe transaction).

$ million	2020	2019
Reported net profit/(loss) attributable to owners of the Company	**(177.7)**	**(334.7)**
Adjustments at EBITDA level	90.7	98.7
Add back: Natgasoline EBITDA adjustment	(65.9)	(59.8)
Result from associate (change in unrealized gas hedging Natgas)	(13.5)	12.0
Accelerated depreciation	2.2	53.6
Derecognition of deferred tax assets	-	26.1
Expenses related to refinancing	51.3	9.1
Forex (gain)/loss on USD exposure	(108.5)	9.6
Non-controlling interest adjustment / release interest accrual	8.7	(12.9)
Tax effect of adjustments	(0.7)	(10.1)
Total APM adjustments at net profit/(loss) level	**(35.7)**	**126.3**
Adjusted net profit/(loss) attributable to owners of the Company	**(213.4)**	**(208.4)**

The main APM adjustments at net profit/(loss) level in 2020 and 2019 relate to:

- Result from associate of USD (13.5) million mainly relates to the unrealized results on natural gas hedge derivatives at Natgas (2019: USD 12.0 million).
- The impact of accelerated depreciation amounts to 2.2 million in 2020 compared to USD 53.6 million in 2019.
- USD 51.3 million expenses related to refinancing activities during 2020 including early redemption costs, refinancing activities in 2019 amounted to USD 9.1 million.
- USD (108.5) million FX-impact (2019: USD 9.6 million) relates to the foreign exchange gains or losses on loans and borrowings and related instruments on USD exposure carried at entities which do not have USD as functional currency.
- Non-controlling interest adjustment is related to the calculated profit attributable to non-controlling interest on all APM adjustments and the release of the interest accrual totaling to USD 8.7 million (2019: USD (12.9) million).
- Tax effect of adjustments (USD 0.7 million in 2020) is related to the calculated tax effect of all APM adjustments.

Free cash flow

$ million	2020	2019
Cash flow from operating activities	**617.8**	**337.5**
Maintenance capital expenditure	(239.4)	(169.8)
Lease payments	(37.3)	(30.0)
Dividends from equity accounted investees	3.0	1.6
Dividends paid to non-controlling interests	(43.2)	(6.1)
Other non-current items	3.8	(5.7)
Free cash flow	**304.7**	**127.5**

GLOBAL REPORTING INITIATIVE (GRI) INDEX

General disclosures

GRI indicator		Response
102-1	Name of the organization	OCI N.V.
102-2	Activities, brands, products, and services	'Our business', page 5
102-3	Location of headquarters	Amsterdam, the Netherlands
102-4	Location of operations	'Our business', page 5
102-5	Ownership and legal form	Public limited liability company
102-6	Markets served	'Our business', page 5
102-7	Scale of the organization	'2020 Performance highlights', page 4
102-8	Information on employees and other workers	'Our employees', pages 66-74
102-9	Supply chain	'Our value chain', page 19
102-10	Significant changes to the organization and its supply chain	'CEO letter', page 7-9
102-11	Precautionary principle or approach	We support the precautionary principle by working to reduce our environmental impact as described throughout this annual report
102-12	External initiatives	'Our approach to Sustainability reporting', page 39
102-13	Membership of associations	In addition to local memberships at the plant level, OCI's memberships include:
102-14	Statement from senior decision-maker	'CEO Letter', page 7-9
102-15	Key impacts, risks, and opportunities	'Strategy and value creation', page 6-19, 'Industry megatrends', page 36, 'Our approach to climate change', pages 37-38, 'Risk Management', pages 80-86
102-16	Values, principles, standards, and norms of behavior	'CEO Letter', page 7-9
102-17	Mechanisms for advice and concerns about ethics	**Code of Conduct**, and 'Compliance', pages 87-88

GLOBAL REPORTING INITIATIVE (GRI) INDEX

General disclosures continued

GRI indicator		Response
102-18	Governance structure	See **Corporate governance** and pages 89-118
102-19	Delegating authority	'Organizational and corporate structure', page 95 and 'The Board of Directors', page 96
102-20	Executive-level responsibility for economic, environmental, and social topics	'The Board of Directors', page 96
102-21	Consulting stakeholders on economic, environmental, and social topics	See 102-40 to 44
102-22	Composition of the highest governance body and its committees	'Board profile', page 91-94
102-23	Chair of the highest governance body	'The Board of Directors', page 96
102-24	Nominating and selecting the highest governance body	See **Corporate governance** and pages 96
102-25	Conflicts of interest	Potential or actual conflicts of interest are governed by OCI's **Articles of Association and By-Laws, and corporate governance policies and procedures.** A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a potential conflict of interest with the Company. Personal loans are prohibited in our **Code of Conduct**. OCI complies with provisions 2.7.3 2.7.4, 2.7.5 and 2.7.6 of the Dutch Corporate Governance Code.
102-26	Role of highest governance body in setting purpose, values, and strategy	'Board report', page 95-103
102-27	Collective knowledge of highest governance body	'Board report', page 95-103
102-28	Evaluating the highest governance body's performance	'Board report', page 95-103
102-29	Identifying and managing economic, environmental, and social impacts	'Board report', page 95-103
102-30	Effectiveness of risk management processes	'Risk management and compliance', page 77-88
102-31	Review of economic, environmental, and social topics	'Board report', page 95-103
102-32	Highest governance body's role in sustainability reporting	The Board discusses sustainability reporting in Board meetings and HSE & Sustainability Committee meetings. The Board provides input on the annual report and approves sustainability disclosures ahead of publication.
102-33	Communicating critical concerns	'Board report', page 95-103
102-34	Nature and total number of critical concerns	OCI deems this to be confidential
102-35	Remuneration policies	'Remuneration report', page 104-116
102-36	Process for determining remuneration	'Remuneration report', page 104-116

GLOBAL REPORTING INITIATIVE (GRI) INDEX

General disclosures continued

GRI indicator		Response
102-37	Stakeholders' involvement in remuneration	Our current Remuneration Policy was approved by shareholders at our 2020 AGM and governs remuneration for both Executive and Non-Executive Directors. Our Remuneration Policy is formulated in accordance with the Dutch Civil Code; we have proposed certain amendments to the policy to comply with the Shareholder Rights Directive II, whereby we have developed a Recruitment Policy to guide the remuneration package of newly appointed Executive Directors.
102-38	Annual total compensation ratio	'Remuneration report', page 104-116
102-39	Percentage increase in annual total compensation ratio	'Remuneration report', page 104-116
102-40	List of stakeholder groups	'Stakeholder Engagement', page 32
102-41	Collective bargaining agreements	'Our employees', pages 66-68
102-42	Identifying and selecting stakeholders	'Stakeholder Engagement', page 32
102-43	Approach to stakeholder engagement	'Stakeholder Engagement', page 32
102-44	Key topics and concerns raised	'Stakeholder Engagement', page 32
102-45	Entities included in the consolidated financial statements	Note 34 of the financial statements
102-46	Defining report content and topic Boundaries	'Material Topics', page 33
102-47	List of material topics	'Material Topics', page 33
102-48	Restatements of information	Any exceptions, restatements, or changes to data reported are noted where applicable
102-49	Changes in reporting	Any exceptions, restatements, or changes are noted where applicable. Environmental data for 2019 has been restated to include a full year of Fertil and 50% of Natgasoline. Scope 1 greenhouse gas emissions have been restated to confirm to EU ETS definitions.
102-50	Reporting period	Year ended 31 December 2020
102-51	Date of most recent report	2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	**sustainability@oci.nl**
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option.
102-55	GRI content index	Global Reporting Initiative (GRI) Index, pages 199-202
102-56	External assurance	OCI engaged an external climate change and sustainability consultant to quantify the group's Scope 3 greenhouse gas emissions and abatement initiatives for Scope 1, 2 and 3. While our non-financial information is not externally assured, it is reviewed and verified by senior leads of relevant functions, including the internal audit and corporate HSE teams, senior management, and corporate function heads.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

Topic-specific disclosures

GRI indicator		Response
Economic		
201-1	Direct economic value generated and distributed	‘How we created value for our communities’, page 60-65
201-2	Financial implications and other risks and opportunities due to climate change	‘Our approach to climate change’, pages 37-58, 'strategy and value creation', page 6-19
Energy		
302-1	Energy consumption within the organization	‘Our environment’, page 52
302-3	Energy intensity	‘Our environment’, page 52
Water		
303-1	Water withdrawal by source	‘Water and waste’, page 55
303-3	Water recycled and reused	‘Water and waste’, page 55
Emissions		
305-1	Direct (Scope 1) GHG emissions	‘Our environment’, page 52
305-2	Energy indirect (Scope 2) GHG emissions	‘Our environment’, page 52
305-4	GHG emissions intensity	‘Our environment’, page 52
305-5	Reduction of GHG emissions	'sustainability strategy' and 'our approach to achieving our targets', pages 39-51
Effluents and waste		
306-2	Waste by type and disposal method	‘Water and waste’, page 55
Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	OCI has complied with applicable environmental laws and regulations

GLOBAL REPORTING INITIATIVE (GRI) INDEX

Topic-specific disclosures continued

GRI indicator		Response
Employment		
401-1	New employee hires and employee turnover	'Our employees', pages 66
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	'Our employees', pages 66-67, note 22 of the financial statements
Occupational health and safety		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	'Health and safety', pages 73
Training and education		
404-1	Average hours of training per year per employee	'Our employees', pages 68
404-2	Programs for upgrading employee skills and transition	**Comprehensive Development Programs**
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	'Our employees', pages 66, and 'Board of Directors profile', pages 91-94, and 99

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

Category	Disclosure	Page
Governance (a)	Describe the board's oversight of climate-related risks and opportunities	76
Governance (b)	Describe management's role in assessing and managing climate-related risks and opportunities	76
Strategy (a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	37-38, 41-42
Strategy (b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	37-38, 41-42
Strategy (c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	--
Risk Management (a)	Describe the organization's processes for identifying and assessing climate-related risks	37, 40-41, 76
Risk Management (b)	Describe the organization's processes for managing climate-related risks	37, 40-41, 78
Risk Management (c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	76, 78-79
Metrics and Targets (a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	38
Metrics and Targets (b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	39, 207
Metrics and Targets (c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	39-40

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Sasb Reference Metric		Category	Unit of measure	Page
Environment				
GHG gas emissions				
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e, Percentage (%)	207
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	40-41
Air quality				
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	207
Energy management				
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable,(4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	207
Water management				
RT-CH-140a.1	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	207
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	207
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	53-56
Hazardous waste management				
RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	207

SASB INDEX

SASB Reference Metric		Category	Unit of measure	Page
Social				
Community relations				
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and analysis	n/a	32, 60-65, 74
Workforce health & safety				
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	208
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and analysis	n/a	70-72
Product design for use-phase efficiency				
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	208
Safety & environmental stewardship of chemicals				
RT-CH-410b.1	(1) Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products by revenue that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	208
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and analysis	n/a	72
Genetically modified organisms				
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	208
Operational safety, emergency preparedness & response				
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	208
RT-CH-540a.2	Number of transport incidents	Quantitative	Number	208
Governance				
Management of the legal & regulatory environment				
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	n/a	37, 72
Other				
Activity metric				
RT-CH-000.A	Production by reportable segment	Quantitative	Metric tons (t)	207

ESG PERFORMANCE SUMMARY

TCFD Metrics & Targets (b)

Environmental performance	Unit	2019	2020	SASB reference
Energy (Ammonia)				
Energy consumption	TJ	213,399	212,297	
Energy intensity	GJ / ton gross production	36.49	37.47	
Energy (consolidated)				
Energy consumption	TJ	290,955	300,142	RT-CH-130a.1
Energy intensity	GJ / ton gross production	18.60	18.68	
Grid Electricity	%	NPR	1.7%	RT-CH-130a.1
Renewable	%	NPR	1.5%	RT-CH-130a.1
Self-generated energy	%	NPR	-	RT-CH-130a.1
Emissions to air				
GHG emissions (Scope 1 - Direct)	Million tons of CO_2e	9.23	9.12	RT-CH-110a.1
GHG emissions (Scope 2)	Million tons of CO_2e	0.60	0.64	RT-CH-110a.1
GHG emissions (Scope 3 - CO_2 to Downstream)	Million tons of CO_2e	4.79	5.11	
Total GHG emissions	Million tons of CO_2e	**14.62**	**14.87**	
GHG intensity	Ton CO_2e / N-ton	2.30	2.26	
Scope 1 emissions covered under emissions limiting regulations	% (Scope 1 – Direct)	18.4%	16.4%	RT-CH-110a.1
NOx	Metric tons	3,037	3,485	RT-CH-120a.1
N_2O	Metric tons	131	150	RT-CH-120a.1
SO_2	Metric tons	135	163	RT-CH-120a.1
VOCs	Metric tons	55	46	RT-CH-120a.1
Effluents and waste				
Hazardous waste reused, recycled or recovered	Metric tons	1.98	1.69	RT-CH-150a.1
Hazardous waste treated or disposed of	Metric tons	1.33	1.61	RT-CH-150a.1
Non-hazardous waste reused, recycled or recovered	Metric tons	2.17	2.22	
Non-hazardous waste treated or disposed of	Metric tons	30.57	44.33	
Water*				
Total intake by source	Million cubic meters	**88.64**	**90.01**	RT-CH-140a.1
Groundwater	Million cubic meters	14.84	15.43	
Seawater	Million cubic meters	49.43	48.00	
Surface water	Million cubic meters	20.72	20.69	
Third party water		3.65	5.89	
Total water discharge by destination	Million cubic meters	**52.13**	**47.35**	RT-CH-140a.1
Groundwater	Million cubic meters	2.28	2.17	
Seawater	Million cubic meters	41.17	37.88	
Surface water	Million cubic meters	5.01	1.43	
Third party water	Million cubic meters	3.67	5.87	
Water Stress				
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%	72%	70%	RT-CH-140a.1
Water consumed in regions with High or Extremely High Baseline Water Stress	%	59%	55%	RT-CH-140a.1
Production				
Total	Million tons of ammonia (nutrient tons) and methanol (product tons)	**6.36**	**6.58**	RT-CH-000.A

* Excludes seawater used for cooling at FERTIL in a 'once-through' system, where seawater intake volumes flow through heat exchangers and are safely discharged uncontaminated back to the sea.

ESG PERFORMANCE SUMMARY

HSE	Unit	2019	2020	SASB reference
Safety				
Lost Time Injury Rate - total	Per 200,000 hours worked	**0.16**	**0.09**	
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.07	0.06	
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.30	0.14	
Total Recordable Injury Rate - total	Per 200,000 hours worked	**0.40**	**0.23**	RT-CH-320a.1
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.34	0.12	RT-CH-320a.1
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.49	0.42	RT-CH-320a.1
Fatalities	#	0	0	RT-CH-320a.1
Process Safety Incidents	#	**17**	**21**	RT-CH-540a.1
Process Safety Total Incident Rate	Per 200,000 hours worked	**0.32**	**0.38**	RT-CH-540a.1
Significant Process Safety Incidents	count	17	21	RT-CH-540a.1
Major Process Safety Incidents	count	0	0	RT-CH-540a.1
Transport incidents	#	0	0	RT-CH-540a.2
Environmental incidents				
Environmental incidents	#	36	37	
Environmental Incident Rate (EIR)	Per 200,000 hours worked	0.68	0.66	
Water-related permit exceedances*	#	12	16	RT-CH-140a.2
Product design for use-phase efficiency				
Revenue from products designed for use-phase resource efficiency	Reporting Currency	NPR	$314 million	RT-CH-410a.1
Chemical stewardship				
Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	NPR	36.6%	RT-CH-410b.1
Percentage of such products by revenue that have undergone a hazard assessment	%	NPR	100%	RT-CH-410b.1
Genetically Modified Organisms (GMOs)				
Percentage of products by revenue that contain GMOs	%	0%	0%	RT-CH-410c.1

* IFCo permit for iron discharge is tightest in industry, a new pipeline was commissioned in 2021 to permanently resolve exceedances

ESG PERFORMANCE SUMMARY

Working at OCI	Unit	2019	2020
Employees*			
Total employees	#	3,715	3,682
Full-time	#	3,622	3,602
Part-time	#	93	80
Engagement and development			
Voluntary turnover rate	%	1.99%	2.20%
Employee absenteeism	%	2.97%	1.89%
Employees covered by Collective Bargaining or Unions	%	47.32%	46.14%
Average spending on training and development	$ / employee	1,442	218
Compliance & Governance			
Incident notifications	#	12	9
Incidents investigated	#	12	9
Substantial cases	#	0	0
Anonymous notifications via hotline	#	3	1
Cybersecurity training (various topics)**	# employees reached	1,938	1,921
Compliance training (various topics, incl. CoC, ABC, Debiasing, Data privacy, and others)*	# employees reached	973	2,002
Gender			
Women	%	**10.34%**	**10.51%**
Women in technical roles	%	1.10%	1.49%
Women non-technical roles	%	9.23%	9.02%
Women on the Board of Directors	%	16.67%	23.08%
Women in leadership positions	%	18.18%	20.24%
Age profile			
under 25	%	1.68%	1.90%
25-34	%	21.34%	18.12%
35-44	%	41.82%	42.07%
45-54	%	22.29%	25.07%
55-64	%	12.12%	11.92%
65+	%	0.76%	0.92%
Years of service			
0-5 years	%	27.26%	21.67%
6-10 years	%	25.29%	25.12%
11-20 years	%	36.85%	42.78%
21+ years	%	10.60%	10.43%

* excl. Natgasoline; 2019 figures restated to include a full year of FERTIL
** excl. Fertiglobe and Natgasoline

GLOSSARY OF ABBREVIATIONS AND KEY TERMS

Abbreviations

ADNOC	Abu Dhabi National Oil Company
AGM or GM	Annual General Meeting of Shareholders
APM	Alternative Performance Measures
AS	Ammonium sulphate
BACT	Best Available Control Technology
BN	Billion
CAN	Calcium ammonium nitrate
Capex	Capital expenditure
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COSO	Committee of Sponsoring Organizations of the Treadway Commission
DEF	Diesel exhaust fluid
EBIC	Egypt Basic Industries Corporation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EFC	Egyptian Fertilizers Company
EIR	Environmental incident rate
EPS	Earnings per share
ESG	Environmental, Social, Governance
FCF	Free cash flow
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
ICF	Internal Control Framework
IEA	International Energy Agency
IFA	International Fertilizer Association
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability & Carbon Certification
LCA	Life-cycle analysis
LTI	Lost time injury
LTIR	Lost time injury rate
M	Million
M m^3	Million cubic meters
MENA	Middle East and North Africa
MMBTU	Million British thermal unit
MT	Million metric tons
N_2O	Nitrous oxide
NF LoR	Non-financial Letter of Representation
NOx	Nitrogen oxide
OHSAS	Occupational Health and Safety Assessment Series
OSHA	Occupational Safety and Health Administration
PSI	Process safety incident
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SO_2	Sulphur dioxide
STEM	Science, Technology, Engineering, and Maths
TCF	Task Force on Climate-related Financial Disclosures
TFI	The Fertilizer Institute
TJ	Terajoule
TRIR	Total recordable injury rate
TSR	Total shareholder return
UAN	Urea ammonium nitrate
UN FAOSTAT	United Nations Food and Agriculture Organization Statistics
VPP	Voluntary Protection Program
YoY	Year-on-year

GLOSSARY OF ABBREVIATIONS AND KEY TERMS CONTINUED

Definitions

Biofuel	A fuel made from renewable resources
CO_2 equivalents	Units to measure greenhouse gas emissions
Environmental Incidents	A measure of the number of environmental incidents such as unauthorized product discharge, leaks, spills, or other potential environmental damage
Greener fuel solutions	Products in our portfolio that can be used as greener alternatives to conventional fuels, including methanol, bio-methanol, diesel exhaust fluid, ammonia, and green ammonia
Greenfield	Newly built asset on an undeveloped site
GHG intensity	Greenhouse gas emissions gas emissions divided by total production
Greenhouse Gas Protocol (GHG Protocol)	A standardized framework from the World Resources Institute for measuring and managing greenhouse gas emissions
Living wage	The minimum income necessary for a worker to meet their basic needs, including discretionary spending
Lost time injury rate	Total lost-time injuries for every 200,000 hours worked
Netback price	The price achieved after deducting any applicable transportation costs incurred
Production Capacity	Each production unit's maximum proven capacity (MPC), which is calculated as annualizing the proven production of a production unit's best achieved month. For new plants, the MPC is the design (also known as nameplate) capacity. For facilities with more than one interconnected production unit, namely IFCo and OCI Nitrogen, the Production Capacity of each downstream product cannot all be achieved at the same time
Scope 1	Direct GHG emissions from our production processes as per the Greenhouse Gas Protocol
Scope 2	Indirect GHG emissions from steam and electricity import/export as per the Greenhouse Gas Protocol
Scope 3	Indirect GHG emissions occurring upstream or downstream of our production processes as per the Greenhouse Gas Protocol
Total recordable injury rate	Total recordable injuries for every 200,000 hours worked

SHAREHOLDER INFORMATION

Share listing
OCI N.V.'s shares have been listed on the Euronext in Amsterdam as of 25 January 2013.

Share capital
The authorized capital of the Company amounts to EUR 12 million. The authorized capital is divided into 600 million shares, with a nominal value of EUR 0.02 each. OCI's issued share capital consists of 210,306,101 ordinary shares. The shares are registered shares. No share certificates are issued.

As at 31 December 2020, 44.03% of the total shares outstanding were free-float.

Shareholder engagement
We place great importance on maintaining active dialogue with existing and potential shareholders, banks, and analysts. We are committed to providing relevant, high-quality and timely information to all stakeholders, and to giving current and potential shareholders, analysts and financial press broader insight into the Company and the industries in which we operate. We ensure that relevant information is provided equally and simultaneously to all interested parties as governed by our shareholder communications policy.

As per our by-laws, we observe a 'black-out' period during which analysts' meetings and presentations to and/or direct discussions with current or potential shareholders do not take place shortly before the publication of the regular financial information.

We regularly schedule conference calls and meetings with potential and current equity and debt investors through roadshow days, conferences and inhouse meetings. In addition to the Investor Relations director, meetings were conducted by our Executive Chair, CEO and CFO.

We hold results conference calls hosted by our CEO and CFO on the day results are published, during which investors and analysts are invited to ask questions. A replay option is made available on our website.

In order to ensure our Board of Directors is fully apprised of shareholders' areas of focus, concerns, and feedback, an investor relations update is provided at each Board meeting.

Dividend policy
OCI has a flexible dividend policy designed to balance the availability of funds for dividend distribution with pursuing growth opportunities, while maintaining, as a priority, its target of 2x net leverage through the cycle and achieving an investment grade profile.

Accordingly, the Board of Directors has not announced a dividend for FY 2020.

Information in 2020	
Number of outstanding ordinary shares as at 31 December 2020	210,306,101
Highest share price (EUR/share)	19.50
Average share price (EUR/share)	12.45
Lowest share price (EUR/share)	8.40
Share price at 31 December 2020 (EUR/share)	15.72
Market capitalization at 31 December 2020 (EUR billion)	3.31

Shareholders
According to the Dutch Financial Supervision Act, shareholders of 3% or more must disclose their holdings to the Dutch Authority for the Financial Markets (AFM). These disclosures are made available on the AFM's public register, which can be found at www.afm.nl

According to the AFM's register, the following shareholders possessed an interest of 3% or more as at 31 December 2020:

Contact us
This annual report is available online at www.oci.nl

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